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MACKENZIE VALLEY PIPELINE INQUIRY

IN THE MATTER OF APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

August 18, 1976.

PROCEEDINGS AT INQUIRY

Volume 172

CANADIAN ARCTIC
GAS STUDY LTD.

AUG 25 1976

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APPEARANCES:

Mr. Ian G. Scott, Q.C.,
Mr. Stephen T. Goudge,
Mr. Alick Ryder, and
Mr. Ian Roland, for Mackenzie Valley Pipeline
Inquiry;
Mr. Pierre Genest, Q.C.,
Mr. Jack Marshall,
Mr. Darryl Carter, and
Mr. J.T. Steeves, for Canadian Arctic Gas Pipe-
line Limited;
Mr. Reginald Gibbs, Q.C.,
Mr. Alan Hollingworth, and
Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;
Mr. Russell Anthony,
Prof. Alastair Lucas and
Mr. Garth Evans, for Canadian Arctic Resources
Committee;
Mr. Glen W. Bell and
Mr. Gerry Sutton, for Northwest Territories
Indian Brotherhood, and
Metis Association of the
Northwest Territories;
Mr. John Bayly and
Miss Lesley Lane, for Inuit Tapirisat of Canada,
and The Committee for
Original Peoples Entitle-
ment;
Mr. Ron Veale and
Mr. Allen Lueck, for The Council for the Yukon
Indians;
Mr. Carson Templeton, for Environment Protection
Board;
Mr. David H. Searle, Q.C.
for Northwest Territories
Chamber of Commerce;
Mr. Murray Sigler and for The Association of Muni-
cipalities;
Mr. David Reesor,
Mr. John Ballem, Q.C., for Producer Companies (Imperial,
Shell & Gulf);
Mrs. Joanne MacQuarrie, for Mental Health Association
of the Northwest Territor-
ies.

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347
M835
Vol. 172

I N D E XPage

WITNESSES FOR M.V.P.I.:

Dr. Mim DIXON

- Cross-Examination by Mr. Bayly (cont) 26697
- Re-Examination 26742
- Cross-Examination by Mr. Hollingworth 26746
- Cross-Examination by Mr. Sigler (cont) 26750

WITNESSES FOR C.O.P.E.:

Howard C. McDIARMID

- In Chief 26756
- Cross-Examination by Mr. Sigler 26794

Douglas DITTRICH

Leo KYLLO

- In Chief 26821
- Cross-Examination by Mrs. MacQuarrie 26866
- Cross-Examination by Mr. Hollingworth 26877

EXHIBITS:

- 689 Qualifications & Evidence of H.C.McDiarmid 26793-A
- 690 Qualifications & Evidence of D. Dittrich 26825
- 691 Qualifications & Evidence of L. Kylo 26825

Dr. M. Dixon
Cross-Exam by Bayly
Yellowknife, N.W.T.

August 18, 1976.

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: I think
we were in the midst of Mr. Bayly's cross-examination.

MR. BAYLY: Mr. Commissioner,
before I begin, I have some additional pages to
Doug Dittrich's evidence which with any luck will be
heard later today, and these are additions that deal
with updating of his evidence since his leaving Inuvik
in January, and I'll pass those around.

DR. MIM DIXON, resumed:

CROSS-EXAMINATION BY MR. BAYLY (CONTINUED):

Q When we left off yesterday
Dr. Dixon, I was fishing around for an answer to a
question and I had left you thinking overnight about
what role community-based organizations could have
prior to assessing impacts of an ongoing project to
determine or to help determine the carrying capacity
and how satisfactory community resources were prior
to the implementation of any project. Have you had
a chance to think about that?

A Yes. Let me say that
I'm not entirely familiar with the Canadian situation,
but what I assume that you're talking about is trying
to incorporate a program that would work in small
communities, in other words not necessarily urban
centres, the way that we have a centre in Fairbanks,
and one that would encompass several communities rather

Dr. M. Dixon
Cross-Exam by Bayly

1 than being a single organization per community.

2 Is that what you're --

3 Q That's right, Fairbanks
4 is the size of the population of the Northwest
5 Territories, so when we think of an urban centre we
6 think of something about 3,000.

7 A Let me just draw from
8 our experiences with the rural impact information
9 project in the interior of Alaska. This covered
10 approximately 42 different villages in the interior
11 of Alaska and I think we learned quite a bit from
12 our experiences with that that might apply to your
13 situation in question. What we tried to do was
14 decentralize programs so that we could collect data
15 in different villages, but centralize the collection
16 point from one area and have a certain amount of
17 co-ordination and expertise in that single point;
18 but use people in outlying areas to actually do the
19 data collection. I think this is more in line with
20 what you were thinking about.

21 To go one step further, we
22 discussed a plan that was never implemented but it
23 seems like it would be worth considering in your
24 situation, which would be to help develop within
25 the Tanana Chiefs Association, which is the native
26 association for interior Alaska, their own research
27 organization which could contract with other
28 organizations to provide research services in the
29 villages, and this would serve a couple of different
30 functions. One would be that with all the people

Mr. M. Dixon
CrossExam by Bayly

2 wanting information about villages for various studies,
3 either for the government or for private industry, and
4 so forth, instead of having people coming in and
5 out of the villages all the time seeking that informa-
6 tion, there would be one central organization that
7 would be able to provide that information and essen-
8 tially reduce the kind of instability that that
9 activity induces into a community.

10 The way that we could envision
11 this working would be that each community
12 would hire a person or the ^{Tanana} chiefs for example would
13 hire a person in each community to be trained as a
14 data collector or researcher and to work part-time
15 for pay in that capacity, and again there would be
16 a central collection point and organization point
17 for the data and to develop a research plan .

18 The kind of things that this
19 individual in a community could do for example at
20 this point, if such a program were set up, is a popula-
21 tion count and maybe a regular kind of population count
22 to determine what kind of fluctuations in population
23 there are in communities, what kind of out-migration,
24 and once a pipeline project for example got started,
25 keep track of the number of people in that community
26 who have left to work on the project, how long they've
27 been gone, and when they come back, to essentially
28 monitor activities in that community.

29 Similarly they could do
30 surveys of the local store to see if there were any
fluctuations in prices or availability of goods. They

Dr. M. Dixon
Cross-Exam by Bayly

1 could do surveys of housing in the community, or
2 essentially the whole study project could be set up
3 with an Advisory Committee similar to the way that the
4 Impact Information Centre works, that would help
5 determine what areas they wanted to see surveyed in
6 the rural communities, and then turn that over to some-
7 body with the kinds of expertise to help design the
8 research and then train the people in the local communi-
9 ties to obtain the data and those people would take
10 the data, send it back to a central person who would
11 then analyze it and then send the information back
12 to the communities so they would have access to it,
13 as well as making information public to others concerned.
14 Is that answering your question?

Dr. M. Dixon
Cross-Exam by Bayly

1 Q This is something that
2 you didn't get a chance to set up but would have liked
3 to.

4 A Yes. It was something
5 that was talked about quite a bit and it may still be
6 formulated but to some extent this is the way that the
7 rural impact information project worked. The only
8 difference is that Tanana Chiefs was set up so
9 that there were sub-regional directors. In other words,
10 the 42 villages in the Tanana Chiefs area were
11 divided into four sub-regions and each sub-region had
12 a sub-regional director and what happened in our programme
13 is that we had a director who served as the co-ordinator
14 and I served as a consultant, primarily helping design
15 the research tools and do the analysis and then this
16 co-ordinator gave the research tools to the sub-regional
17 directors who then visited the villages and she did
18 too, -- the co-ordinator of this did also and performed
19 it so there wasn't one person in each village but the
20 sub-regional directors kind of covered their own
21 region.

22
23 Q Did that cut down on the
24 number of people that were going in either independantly
25 or government agencies or for industry to check on the
26 impacts?

27 A Well, there weren't too
28 many people going in and out to check on the impacts
29 in particular, but there's a lot of studies going on.
30 Whether it's a federal housing ^{study} where they're sending a

Dr. M. Dixon
 Cross-Exam by Bayly

1
 2 team out to do a housing survey or whether it's a
 3 state agency that wants to know about some kind of
 4 special employment programmes or whatever it is, there's
 5 lots of people who are funded to do studies that go
 6 in and out and this impact research that we were doing
 7 probably minimized the number of outsiders coming in to
 8 do impact research, but I don't think it took away
 9 any of the other studies that were being done except
 10 as consultants came to this programme and did use the
 11 data, that was the sum of it, including putting together
 12 a baseline book that had for each community the facilities
 13 in that community in terms of transportation, communication,
 14 schools, services of various kinds.

15 So, we did some of that work
 16 and I think that saves people coming in and out of the
 17 community some. But again, this programme only operated
 18 for a year and it took us practically a year to get
 19 it into that kind of a functioning situation. So, it
 20 didn't go the step further. Essentially, when the money
 21 ran out for this programme, this programme stopped and
 22 that's why I would think it would be better to work
 23 through an organization such as the Tanana Chiefs
 24 to help them set up their own research organization that
 25 could take contracts say, to provide impact research
 26 or to provide research to other organizations essentially,
 27 and in that way perpetuate that organization instead
 28 of having to go from one group to the next as each little
 29 project gets funded.

30 Q And then would you recommend

Dr. M. Dixon
Cross-Exam by Bayly

1 that this kind of work begin early enough to collect the
2 baseline data in the smaller communities as well as the
3 larger centers?

4 A Yes, and in fact I think
5 that -- I mean, I don't know the Canadian situation again,
6 I keep wanting to qualify my remarks with that in mind,
7 but I think that this type of information gathering
8 system could be very useful to a whole broad variety
9 of needs, not just impact research, but then when it
10 came time to look at how communities were being affected
11 by large scale development, this could be incorporated
12 into such a programme also.

13 Q Now, moving on then to
14 another part of your evidence, on page 20 you mention
15 that patterns of participation in voluntary groups have
16 changed. I wonder if you could describe some of the
17 ways in which this participation has changed?

18 A Okay, the example that I
19 kind of put in the written testimony had to do with
20 labour unions and I think that this is probably a very
21 good example.

22 Before the pipeline began,
23 labour unions in Alaska had probably significant member-
24 ships but after the pipeline began, since all the employ-
25 ment directed on the pipeline required people to be
26 members of labour unions, the number of people becoming
27 involved in those types of groups increased significantly
28 and I think that this -- you know, viewing say a labour
29 union as a kind of a voluntary organization, that this
30 changed the social structure significantly in that a lot

Dr. M. Dixon
Cross-Exam by Bayly

1 of people who had no knowledge of how labour unions
2 operate, had never had to get a job by going through
3 the labour union structure, all of a sudden became a
4 part of a group and had to learn new sets of rules and
5 behaviour and so forth, for that group, and in addition
6 to that, they derived a lot of the benefits from that
7 group that they wouldn't have had before, in terms of
8 perhaps health care benefits and insurance benefits and
9 some of the Unions have pre-paid legal benefits and
10 recreational benefits and so forth.

11
12 For example, one group that
13 perhaps was not terribly well integrated into the whole
14 labour union structure was native Alaskans who have
15 now joined labour unions and I don't know to what extent
16 this is going to effect various other aspects of their
17 lives, but for example, native Alaskans have access to
18 U.S. public health service health care, through the
19 Alaskan Native Health Service and now they also have
20 union benefits for which they can seek private health
21 care, so this could mean that they would be seeking their
22 health care from different sources and in different ways
23 and I think it has a lot of different ramifications in
24 terms of changing the whole social structure in Alaska.

Dr. M. Dixon
Cross-Exam by Bayly

1 Q Were there other groups
2 in which the participation went down as opposed
3 to up? It appears that there's been an increase in the
4 membership of labor unions and you've described some of
5 the results.

6 A Yes. Let me think for a
7 minute about the question because I don't
8 have any from the top of my head to able to answer that.
9 I know participation went down in some groups and from
10 what I have -- I should say it has been reported that
11 has gone down in some groups and most notably I under-
12 stood like the Little League enrollments went down.
13 This was attributed in part to the fact that parents
14 didn't have enough time to take their children to
15 sign up and participate in -- I assume that Canadians
16 don't have Little League too. But these kinds of
17 organized sports activities for kids.

18 I know that for example and
19 again this wouldn't be necessarily a voluntary group
20 but it's dependent on ^{Tanana} Valley Fair which has always been
21 the big activity in Fairbanks that while the number of
22 people attending the Fair skyrocketed, the number of
23 people entering the Fair has decreased. So it is a kind
24 of a change in activities that parallels this. That
25 wouldn't be necessarily participation in voluntary or sp.

26 Q Do those two represent
27 any kind of a trend away from community voluntary
28 activities? You have mentioned Little League, community
29 fairs. Does that apply to churches, service clubs?

30 A For the most part, I believe

Dr. M. Dixon
Cross-Exam by Bayly

1 churches and service club memberships increased during
2 this period. I don't know about other -- you know --
3 mainly -- one of the reasons why church's memberships
4 increased is a lot of the pipeline families or families
5 that move with a labor force that moves with the
6 pipeline particularly the dependents or the wives and
7 children have found that churches are one way that they
8 could integrate themselves into a community reasonably
9 fast and you know, in areas that they can become
10 accepted in fairly easily. So this is a kind of
11 participation that the incoming population is more
12 likely to take part in. Church membership in general
13 has kind of been increasing in Fairbanks.

14 I am sorry. What was your
15 other --

16 Q Service clubs was the
17 other example.

18 A I think another -- the
19 thing about service clubs is that with a rapid kind of
20 upward mobility in careers and jobs in Fairbanks,
21 service clubs provide a kind of organization that seems
22 to go hand in hand with career mobility in some ways
23 and so those would accrue a greater membership because
24 of that.

25 Q O.K.

26 A I will say just incidentally
27 that some groups that depend upon volunteers for -- to
28 carry out their functions have had a harder time
29 attracting volunteers. One example that I am aware of
30 -- not through my research but through my work

Dr. M. Dixon
Cross-Exam by Bayly

1 on the Board of Directors of the American Red Cross
2 in Fairbanks is there has been a real increase in demands
3 for first aid classes partially because all the foremen
4 on the pipeline have to have their first aid card and there
5 is no other way for them to get it. As the same time,
6 the people who teach first aid classes are volunteers
7 with the red cross and a lot of people have started
8 saying "Why should I volunteer my time to teach a class
9 when 1. I am busy, and, 2. I am doing it for free and
10 they are going to go out and make a whole of money".
11 It has been more difficult to recruit volunteers in a
12 time when people are 1. working much longer hours at
13 their own job, and, 2. kind of viewing volunteer work
14 as maybe not as rewarding during this period as other
15 kinds of work.

16 Q Can you tell me in your
17 experience with gathering information both in the rural
18 areas and the Fairbanks area, does the population size
19 of the community as well as its past experiences with
20 sudden economic growth have anything to do with its
21 ability or lack of it to deal with the impacts of a big
22 development? Does a big community absorb impacts
23 better than a small one?

24 A I think it depends on the
25 structure of the community and how the community can
26 function to deal with problems like this. I can try
27 to answer you with some examples. I think that there are
28 probably different sizes of communities that have
29 different amounts of cohesiveness that enable them to
30 make decisions.

Dr. M. Dixon
Cross-Exam by Bayly

1 For example, we are witnessing
2 in Yakutat right now which is a small coastal community
3 which is anticipating quite a bit of outer Continental
4 Shelf oil developments a great deal of cohesiveness in
5 planning for this development. In fact, they are
6 probably becoming one of the model communities in terms
7 of trying to control development so that they can benefit
8 by it or at least get as much of the benefit as they can
9 and reduce the amount of damage to their community. In
10 doing so they have cooperated in
11 land exchanges, adopted zoning, adopted a lot of rules
12 they set to the oil companies. You can locate your
13 facilities in this location but not anywhere else.
14 Essentially, they have taken control and tried to
15 prepare and deal with the situation.

16 I think this can be attributed
17 to a couple of reasons. One is the relatively homogeneous
18 culturally. It's a Tlingit community of about 400
19 people. They are small enough I think that the leader-
20 ship structure is pretty stable and recognized.

21 Secondly, among the leadership
22 in that community are some very sophisticated people
23 including a person who used to be the commissioner of
24 Community and Regional Affairs for the State who saw this
25 coming and went back to his home town to live and try to
26 help out.

27 Also I think that because it is
28 a small and relatively homogeneous community the values
29 are pretty consistent so that decisions can be made to
30 deal with change. On the other hand, you get to a

Dr. M. Dixon
Cross-Exam by Bayly
of

1 community, say the size/Fairbanks which is quite a bit
2 larger and there are probably more factions with
3 different kinds of values. There is more change
4 accruing in the sense that it is making sort of an
5 unstable kind of community. The leadership is probably
6 a little bit less, in some ways, less prepared to make
7 demands on the oil companies to control the
8 situation. In other words, the Yakutat community can
9 say "Well, if we don't get it our way, we don't want it".
10 The Fairbanks community a little bit more, says,
11 "We'd really like this development and we'll take it
12 however we can get it". It makes for a different
13 approach. Consequently a whole different approach to
14 dealing with the problem.

15 Then you go to a larger sized
16 community like Anchorage where I think it is large
17 enough that the leadership is quite a bit more sophisticated-
18 ed. Approaches to decision making are quite different,
19 you know. You get a whole different approach in terms
20 of being able to absorb problems and deal with them.
21 You could have them a bit greater anyway in terms of
22 bonding. You have more facilities available and you
23 don't feel it quite as bad.

24

25

26

27

28

29

Dr. M. Dixon
Cross-Exam by Bayly

1 I wouldn't say that there
2 is a direct relationship between the size and ability
3 to cope with problems, but probably different
4 sizes of communities create different structures in
5 terms of political, economic and social structures
6 which can create different kinds of environments for
7 this development to occur and which can lead to
8 different results.

9 Q So maybe I can just
10 boil it down to the fact that a small homogeneous
11 community which has a certain idea about the development
12 may be able to withstand it better than one that is
13 more fragmented but fairly unsophisticated dealing
14 with large development; and the next stage as you
15 get a more sophisticated community that knows what
16 it wants and has some bargaining power, even though it
17 is fragmented, its leadership is more sophisticated.

18 A Yes, I would say that's
19 a good summary of what I was trying to say.

20 Q And does Valdez fit into
21 the Fairbanks category, if there is a broad category
22 we can define?

23 A I haven't done any work
24 directly in Valdez. I am familiar with the reports
25 that Dr. Baring-Gould and his group have put out, and
26 I have talked with him about it, but I haven't really
27 discussed this particular hypothesis with them to know
28 whether they would think it would fit into that schem-
29 atic. I would think probably in many ways Valdez
30 is more similar to Fairbanks on that continuum than to

Dr. M. Dixon
Cross-Exam by Bayly

1 the other two.

2 Q Yes, and does geographical
3 distance away from the actual facility or its staging
4 areas have anything to do with the ability of the
5 community to absorb, given that one that is very far
6 away, of course, is going to be **far less** impacted.

7 A Yes, I think so, although
8 I think that hypothesis or assumption has been misused
9 from time to time, and I just don't want to comment
10 on that a little bit so that my answer
11 isn't misused.

12 I'm not exactly sure who
13 prepared, some group of consultants prepared for the
14 state, it could have been for Alyeska , it could have
15 been Mathematical Sciences Northwest, but I'm
16 not sure and I don't want to attribute it to them
17 specifically, but anyway, population projections were
18 made for Fairbanks and they were used by a variety
19 of different groups, including the Fairbanks North
20 Star Borough, and as I went through those population
21 projections, one of the assumptions that was made in
22 making those projections was that the population of
23 Fairbanks would be directly affected by the distance
24 that different construction camps were from Fairbanks.
25 In other words, we developed a real fancy formula
26 that suggested that the further a person was located
27 from Fairbanks in a construction camp, the less that
28 person's impact would be in terms of generating
29 additional population in the Fairbanks area, and
30 essentially that's abusing your assumption because I
don't think that's what really happened in that particular

Dr. M. Dixon
Cross-Exam by Bayly

1 case, but I would say there's a difference between
2 whether a community is right beside a pipeline con-
3 struction camp and consequently people from the camp
4 are coming into the community, using the community's
5 facilities, and their families are trying to locate
6 in those communities and so forth. There's going to be a differ-
7 ence between that and a community that's located dis-
8 tant from a construction camp where people aren't
9 going to be coming into the community. Those are
10 going to create two very different situations.

11 I think that's what you're
12 trying to say and I would agree with that, but I don't
13 think that that assumption could be carried a step
14 further in terms of developing a linear relationship
15 between the distance from a camp and its effect on
16 the population.

17 Q Now, one of the differen-
18 ces that we have been informed of that may exist between
19 the Mackenzie Valley situation and Alaska is the
20 Alaska Highway. We've been told that since the highway
21 that we have only goes part-way down the Mackenzie
22 Valley that there will be far less in-migration on
23 speculation and therefore far less impact on a lot of
24 the communities. Can you tell us from the information
25 you were able to gather what proportion of in-migrants
26 came in by highway as opposed to the other modes of
27 transportation?

28 A I can't. I can tell you--
29 I can give you figures on the number of people coming
30 through the Alcan border, you know, in terms of coming

Dr. M. Dixon
C ross-Exam by Bayly

1 through the highway. I can give you the figures of
2 people coming in and out of the airport, but we dont
3 really have any figures that suggest which of those
4 were tourists and which were so-called in-migrants,
5 and their purposes essentially for coming , how
6 long they stay and so forth.

Dr. M. Dixon
Cross-Exam by Bayly

Q Are these figures broken
down into commercial as opposed to non-commercial traffic?

A That's right and they're
in the reports that I submitted. I can make reference
to those if you'd like. I don't think they're going
to be particularly useful because one of the things that
you find, just looking at those figures, is that however
many people comes in by plane, about that many people
are going out by airplane the same month and similarly
while it fluctuates a little bit in terms of the traffic
crossing the Alcan border, that the number of people
that are coming and going look to be about the
same overall, so you don't know if it's the same person
or if people that have been residents are leaving or --
you know, it just doesn't tell us that much. I will
say however, and you're probably aware of this, that
Urban and Rural Systems out of San Francisco has been
doing a study of migration patterns in the state for
the State Department of Labour and that study has not
yet been released publically by the Department of Labour,
so

I don't really
have access to those figures but I would suggest that
that might be a source of information that would be
forthcoming that would help to answer that question.

Q Right. Did you do any
cost comparisons when you were doing your studies, as
to whether it would be cheaper to fly in from a given
point in the lower 48 than to drive in?

A No, and for one thing,
I think what makes people make the decisions might be

2 very different from this cost consideration. For example,
3 a lot of people/^{who}drove up the highway realized that there
4 wasn't going to be very many accommodations
5 and that the accommodations for housing would be very
6 expensive so a lot of people came with trailers or
7 planning to stay in their cars or their trailers or
8 whatever until they could find, either find a job or
9 leave or whatever. Some people thought they could
10 drive up the highway in a trailer and then sell the
11 trailer when they got there and make enough money to
12 fly back and I think different people had different
13 approaches to the migration and that it wouldn't necessarily
14 be based upon the round trip expense.

15 Incidentally, I feel that
16 the kinds of in-migrants that came to
17 Fairbanks were not necessarily what everybody thinks of
18 or expected. I think that most people were reasonably
19 well informed about the living situation, the cost of
20 living and the job situation and that they came prepared,
21 either with enough money to leave again or to sustain
22 themselves for a while or that they primarily had some
23 kind of a fall-back plan, that they didn't just come
24 totally unprepared and in many cases what happened was
25 the state programme to discourage job-seekers from
26 coming to Alaska unless they had a job, and Alyeska's
27 own programme that way and the national news media, who
28 may have done us a disservice in terms of portraying
29 the community in the negative light, probably provided
30 atleast a service in terms of discouraging people from

1
2 coming who might have come in a fairly
3 naive way otherwise and I think the end result is that
4 the kind of people who came were much better prepared
5 than what perhaps people think they were and one of
6 the ways that they were prepared is, often times, the
7 people who came, either knew somebody in Fairbanks or
8 had a relative in Fairbanks or something like that and
9 therefore had some type of entre into a job situation
10 or had a place to live or somebody help them out or a
11 place to pitch a tent or whatever it was, so I don't
12 think that we got very many people that just came up,
13 you know, bought a round trip ticket or one way ticket
14 and came up on a -- in an uninformed way thinking that
15 they could find a job. There were some of those but
16 by and large that did not characterize
17 the in-migrants.

18 Q I see. We can go
19 then to the strain on services, which doesn't appear to
20 have been caused primarily by people who just came and
21 were destitute.

22 A Yes. In fact there was
23 very little of that from the outsiders, the social
24 service agencies really did not end up seeing too many
25 in-migrants that came up and most of the people that
26 came up were labourers or people that were
27 involved in construction work previously and had a
28 very strong sense of the Protestant ethic and wouldn't
29 necessarily turn to social service agencies and many
30 of the people who came up were collecting unemployment

1
2 insurance so that they had a source of income while
3 they were there, even though they weren't working and
4 we saw a decline in public assistance, a decline in
5 food stamps and other kinds of social services that
6 you might expect would increase as a result of people
7 coming unprepared and being stranded and destitute.

8 Most of the problems that way,
9 that were referred to the public assistance programmes
10 were local people who simply couldn't make it with the
11 increased cost of living and the housing problems.

Dr. M. Dixon
Cross-Exam by Bayly

1 Q Did you track that to
2 see what percentage of the local people resorted to
3 the various welfare assistance that hadn't done so
4 before, or were you able to collect that baseline
5 data from before?

6 A I'm trying to work on
7 that right now, as a matter of fact, both for the
8 categorical assistance programs and for the food stamp/^{program}
9 to try and find out first what changes there might have
10 been in the characteristics of the recipients, but
11 also we know there's been a decline in recipients and
12 whether that decline is due to fewer people applying
13 or people who had been on government assistance either
14 left town or were able to obtain jobs and therefore
15 go off, and I don't have that data avail-
16 able yet but both the Impact Centre and myself are
17 working on that problem because I think that's an
18 important question.

19 Q Well, would that be
20 information that you could, without feeling uncomfor-
21 table, pass onto us by way of a letter when it's
22 available?

23 A Sure.

24 Q Perhaps you could do that
25 then.

26 A Sure.

27 Q Would you then turn to
28 another subject -- unless you wanted to say something
29 else?

30 A No, I hope I've been

Dr. M. Dixon
Cross-Exam by Bayly

1 answering your questions and not kind of talking around
2 them. If I haven't answered what you said, I hope you'll
3 re-direct the question.

4 Q I think you have, but
5 I'll read the transcript.

6 A O.K.

7 Q Could we turn now to the
8 impact on health care services in Fairbanks and in the
9 rural areas, and I notice from your curriculum vitae,
10 that you've had some experience both in medical and
11 mental health services studies in the State of Alaska.
12 Now, you said on page 12 of your evidence that

13 "Information from the Impact Centre was used
14 to certify the need for additional hospital
15 services."

16 Can you tell us whether there was an impact on health
17 care services and facilities in Fairbanks as well as
18 in the outlying rural areas, and could you describe
19 the nature of these impacts, breaking them down, if
20 you wish, into the urban and rural impacts?

21 A Sure, I'd be happy to
22 do that. It's a very complex subject and I don't know
23 how much time you'd like me to take on it. In fact
24 I've written a whole chapter in the book I'm working
25 on on this particular subject, so I hope that I can --

26 Q Perhaps you can give us
27 a synopsis of the book.

28 A Without boring you too
29 much, let me kind of tell you what I think are some
30 basic changes in the health care delivery system that have

Dr. M. Dixon
Cross-Exam by Bayly

1 resulted from the pipeline activity. One thing you
2 have to understand is what the health care delivery
3 system was before, you know, and then after. Essen-
4 tially there's four different health care delivery
5 systems in Alaska, in the interior of Alaska.

6 (1) is private health care;

7 (2) is state public health, which is primarily preven-
8 tive medicine; which operates both in the rural areas
9 and in the urban areas;

10 (3) is Alaska area native health service, which is
11 part of the U.S. Public Health Service which provides
12 health care to native people;

13 (4) and one is military health care.

14 Each of these health care
15 systems has undergone certain kinds of changes
16 as a result of changes in the state since the
17 pipeline. In Fairbanks in particular, the private
18 health care delivery system was organized so that there
19 were two competing clinics prior to the pipeline, and
20 at the time that pipeline construction started a
21 third independent group was set up and this kind of
22 changed the whole politics of the private health care
23 sector. In addition to which quite a few specialists
24 came into town to deal with acute medical care
25 problems, and this changed the utilization of the
26 hospital significantly because prior to this, acute
27 health care problems were sent to Seattle for attention,
28 and now they're being kept in Fairbanks, and there's
29 much more surgery being done in the hospital, so the
30 hospital is being used in a different way and consequently

Dr.M. Dixon
Cross-Exam by Bayly

1 the hospital -- the capacity of the hospital, the
2 capacity of use has increased substantially. I think
3 the hospital was only used to about less than 70%
4 of capacity prior to the pipeline, and then as the
5 pipeline started, a whole new wing or a whole new
6 floor was opened up and so the capacity increased.
7 Nobody expected the hospital to be over-used, and
8 yet within a month it was full, sometimes to 100%
9 capacity, and I think one of the major reasons has
10 been the increased number of private physicians, the
11 increased amount of surgery that is being done locally;
12 also the Alaskan natives health service changed its
13 policy. It used to use the government hospital on the
14 Army base, and the Army base reduced its activities
15 because the pipeline took over part of the Army base
16 and so the number of Army dependents has
17 decreased ⁱⁿ ~~from~~ and the services at the Army Hospital
18 were reduced; so then the native health care system
19 became more dependent upon contacting the private
20 physicians. This also increased the demand in the
21 community.

22 So in Fairbanks, the net
23 result has been -- just to summarize -- that there are
24 more doctors, there are more specialists; doctors are
25 now operating, clinics have very large contracts.
26 One of the clinics has a contract to provide all of
27 the physicals for the pipeline workers, which is 160
28 or more physicals a day, and this nets them several
29 million dollars a year in terms of income that they
30 didn't have before.

Dr. M Dixon
Cross-Exam by Bayly

1 Another one of the clinics
2 has the Teamsters prepaid medical insurance plan,
3 which nets them quite a bit more income, and also
4 creates more work for them. At the same time, more
5 people in Fairbanks are covered by health insurance,
6 primarily through union health care benefits, and
7 consequently there is a different pattern of utilization
8 with health care in the community than what there was
9 before. Now, because of this, the Teamsters in
10 particular, which is the largest construction union,
11 is building their own hospital at Fairbanks because
12 they feel (1) they have so much money in their health
13 care trust fund that they need to spend it; and

14 (2) they feel that it's cheaper for them to
15 provide their own hospital than to use the existing
16 community services.

17 The ramifications of that are
18 that we're going to essentially have two hospitals,
19 we're going to be under-utilizing the community service,
20 we're going to be increasing the health care costs
21 probably, but also increasing the number of choices.
22 I could go on and on about this, but there have been
23 very significant changes in the whole structure of
24 private health care delivery in Fairbanks as a result
25 of activities associated with the pipeline construction,
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Dr. M. Dixon
Cross-Exam by Bayly

1 Q I take it from the
2 history that you've traced this is something that
3 evolved rather than something that was planned for
4 prior to construction.

5 A Yes.

6 Q Can you tell us something
7 about the rural health care and what has happened to it?

8 A O.K. Rural health care --
9 most of the changes in rural health care have been
10 perhaps not directly associated with pipeline construction
11 activities. The major association that I can think of
12 that would relate to that would be that more rural
13 people have union health care benefits and therefore
14 are not necessarily dependent upon government health
15 services.

16 The major changes in rural
17 health delivery has to do with -- indirectly with native
18 land claim settlements and in changes in the policies
19 of the Alaska Native Health Service which has shifted
20 from providing direct services to contracting with
21 native organizations to provide those services and an
22 increase in health corporations that are run and directed
23 by native people. So there is a lot more involvement
24 in the health care delivery system in the rural areas
25 than what there was before.

26 The third thing that I would say
27 for rural areas has happened that might be
28 pipeline related has been reduced reliance on the
29 military hospitals as I mentioned and a greater reliance
30 on contracting with private physicians in Fairbanks.

Dr. M. Dixon
Cross-Exam by Bayly

1 Q Can you tell me -- you have
2 said that there was an increase in certain kinds of
3 surgery -- operations that were performed in Alaska as
4 opposed to the lower 48. Were these related to an increase
5 in certain kinds of health care requirements such as
6 treating accident victims, treating victims of crime:
7 just to mention a couple?

8 A Yes. I think it is
9 related to a couple of things. One is probably changes
10 in the needs. But I think probably it is more closely
11 related to the fact that small towns really can't support
12 specialists in given areas too well. Probably both
13 the combination of population growth in the Fairbanks
14 area meant that Fairbanks is more likely to
15 support a specialist in a given area. But also that
16 these large contracts have meant that the medical clinics
17 can have subsidized specialties that maybe they could
18 not have before and that the clinics themselves can
19 look more attractive in terms of obtaining contracts if
20 they can show that they have certain kinds of specialists
21 on their staff.

22 So essentially, the financial
23 structure of private health care delivery changes in such
24 a way as to make it more feasible to draw specialists
25 into the community and thereby they would then be
26 performing surgery or whatever for needs that existed
27 in communities before but just were not being provided
28 for within the community.

29 Q O.K. Are you telling me then
30 that from a per capita viewpoint, the

Dr. M. Dixon
Cross-Exam by Bayly

1 need for health care services did not increase but is
2 it only increased with the population or that there was
3 a greater incidence of certain kinds of need for health
4 care that caused some of the expansion?

5 A Yes. I think both is
6 true but probably -- well we are talking about in terms
7 of say, if we are talking about industrial accidents
8 -- say accidents on the pipeline that are being evacuated
9 to Fairbanks. There is an average of I think five a
10 day that are evacuated to Fairbanks which is quite a bit
11 in the sense of trying to keep an orthopedic surgeon or
12 a plastic surgeon or somebody like that busy. But, you
13 know, I don't think that is as significant a factor in
14 the overall change in health care delivery as the changes
15 in the political and economic structure of the health
16 care delivery system which made it more feasible for
17 these specialists to come to Fairbanks.

18 Q Now, apparently Anchorage
19 felt some of the impact of stress on their health care
20 services. I am referring to a document which is
21 Exhibit 235 of this Inquiry and it is called "Pipeline
22 Impact: Anchorage, 1975". Are you acquainted with that
23 document?

24 A Yes. I have read it.

25 Q Then the first paragraph,
26 at page 15, they say this about health care and I would
27 like you to comment to say whether or not these problems
28 were occurring in Fairbanks as well.

29 "One of the greatest impacts of the pipeline on
30 Anchorage is in the broad category of health

Dr. M. Dixon
Cross-Exam by Bayly

1 services. The burgeoning tide of new arrivals in
2 Anchorage seeking pipeline work has flooded health
3 and social service facilities, according to a
4 report by the Anchorage Federal Health Department.
5 the type / people that are coming and the problems
6 that they are bringing to the area, the cost and
7 availability of adequate housing, the lack of jobs and
8 the nature of leave time activities are creating
9 demands which are taxing the present system."

10 I am just confining ourselves
11 to the health care portion of it.

12 A Yes.

13 Q Would that be a fair comment
14 on Fairbanks as well?

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Dr. M. Dixon
Cross-Exam by Bayly

1 A Yes. Just to be a little
2 more specific, I would say that the burdens on the
3 health care system are more a matter of a person comes
4 to Fairbanks and they don't have a private physician,
5 and maybe they have health care insurance but that
6 would take care of them in an emergency room at the
7 hospital or something, they'll go to the emergency room
8 of the hospital to seek care for relatively minor
9 things because they don't have a private physician
10 and they know that physicians are expensive in Fair-
11 banks, and then the emergency room doesn't have --
12 isn't staffed in Fairbanks like a General Hospital would
13 be, there's no doctors there and so forth. Then the
14 emergency room is experiencing kind of a flood of
15 people coming in that's created new burdens on the
16 emergency room. Or similarly, I think, the Fairbanks
17 Health Centre, which is a combined city and state
18 public health facility, which will be comparable to
19 the facility they're describing there, let me just say
20 that that report was prepared by the borough as
21 justification for impact funds, and it really addresses
22 specific borough programs and not the overall community
23 situation, and the program that would be comparable to
24 the one that they are describing there would be the
25 Fairbanks Health Centre, which, as I mentioned, had
26 an increase in number of people seeking V.D. tests
27 or baby shots or whatever it is, and I think a
28 lot of that is attributed to the fact that people don't
29 have a private physician, they don't know where to go,
30 they
and/are more likely to use those facilities, rather

Dr. M. Dixon
Cross-Exam by Bayly

1 new problems that they have, you know, as a result of
2 being new in Fairbanks.

3 Q Now, you mentioned on
4 page 13 in your evidence a need for more sanitarians
5 or environmental health officers in Fairbanks. Can
6 you explain the reasons that there was this increase
7 in need?

8 A Yes, I can, and also we
9 did a report on that in the reports that I submitted
10 with my testimony. One of the basic reasons for that
11 is that there is a very high turnover in employment
12 in Fairbanks, and particularly in the lower paying
13 lower level jobs, and this would include jobs such
14 as being cook or dishwasher or waitress or waiter
15 in a restaurant; there's also more restaurants.
16 But this has meant that one of the jobs of sanitarians
17 is to inspect the local restaurants and eating
18 establishments, rest rooms and other places like that,
19 and there's such a high turnover rate in the people
20 working in these places that a lot of people are un-
21 trained or so forth, that this has required a lot more
22 inspections and also more establishments opening up ,
23 there's a lot more inspections are needed than were
24 needed previously. So this requires more sanitarians
25 to do that type of work.

26 Q So you wouldn't attribute
27 that in Fairbanks at any rate to a lowering in the
28 quality of environmental health, water quality or
29 sewage problems or anything like that?

30 A Well, the actual tests

Dr. M. Dixon
Cross-Exam by Bayly

1 that have been run by the state land on water quality
2 or sewage, or you know, that would indicate that there
3 had been public health -- would indicate whether or not / there were
4 public health problems don't really indicate that there
5 have been significant problems of that type, although
6 you know, it's possible that those kinds of things
7 could go on without those showing up in the lab reports.

8 And again that could be because
9 you know, the sanitarians are doing their job in
10 terms of policing these kinds of things.

11 But one of the few investments that the city or the
12 borough did make in ^{terms of} preparing themselves before the
13 pipeline came was to institute a new solid waste dis-
14 posal system, and essentially the amount of solid waste
15 handled by the borough has just increased astronomically.
16 But the point is that that's one of the few areas
17 that they were prepared to deal with, and perhaps this
18 helped to avert some kind of potential problem like
19 that, you know.

20 Q Was that the experience
21 of the rural communities that felt the impacts of the
22 pipeline in terms of increased population as well?

23 A I'm sorry?

24 Q Was that the -- does
25 that hold true for the smaller communities where
26 impacts were felt, Glenallen and places like that,
27 where the populations increased?

28 A No, some of the places
29 had very significant problems with both solid waste
30 and raw sewage -- Delta Junction, for example,

1 didn't have a big enough solid waste disposal system
2 and they found that the pipeline camp was using theirs
3 on top of that, and this has been a problem for many of
4 the smaller communities.

5 Now I don't know to what
6 extent that problem has been dealt with and to what
7 extent it was translated into kinds of communicable
8 disease problems, but I do know that there have been
9 problems with both sewage and solid waste disposal in
10 smaller communities.

11 Q Has there been a problem
12 in medical facilities in Fairbanks with the keeping of
13 support staff, other than doctors, who might be
14 attracted by higher pipeline wages?

15 A Yes, I think there's been
16 high turnover rates in a lot of areas, both among
17 clerical staff and among kind of paramedical kinds of
18 staff people. One of the ways that this has been dealt
19 with by the hospital, for example, is that they have
20 converted a lot of their full-time jobs into part-time
21 jobs and hired teenagers to fill them. For example, last
22 year the hospital had 40 teenagers working there in
23 the areas of housekeeping and offices and so forth,
24 and this is one of the ways that they dealt with this
25 problem of high turnover.

26 Also the nurses at the Fair-
27 banks hospital organized and demanded higher wages and
28 certain working conditions, I think, which made it
29 more attractive to maintain staff. But staff
30 turnover has been a problem, you know, for virtually

Dr. M. Dixon
Cross-Exam by Bayly

1 everybody in Fairbanks, including the health care industry,

2 Q Will you turn now to the
3 impacts on mental health, and I understand from your
4 curriculum vitae again that that's another area that
5 you looked at.

6 A We've tried. That's an
7 area that's very slippery and hard to deal with.

8 Q Well, let's see how far
9 we can get anyway.

10 A O.K.

11 Q I notice that you were
12 chairman of the Mental Health Outreach Committee and
13 a volunteer councillor in the Fairbanks Health Centre.
14 I understand you've also been doing some research into
15 impacts and changes within families and family structure,
16 such as the problems involved in child abuses and
17 juvenile delinquency.

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1 A We've been trying to
2 get information on that.

3 Q What have you observed
4 in the Fairbanks area that appears to have changed, at
5 least coincidentally with the pipeline activity?

6 A One of our problems is
7 that we have a very hard time getting data in these areas
8 and I know this isn't what you want me to tell you, but
9 I feel obliged to tell you it anyway, and the quality of
10 the data that we've been able to obtain has been
11 very questionable and I just would like to cite an
12 example because I think it's important when we deal with
13 these areas to try and understand what kinds of problems
14 we have with obtaining data and this would be the example,
15 since
child abuse / that's the one that you raised.

16 We tried to get figures on
17 child abuse and child neglect from the State Department
18 of Health and Social Services which is supposed to be
19 handling the reported cases and this was in 1975
20 and we talked to the Director of the Child Protection
21 Force and she prepared for us, figures that compared --
22 August -- I should look and see, but I believe it's
23 August '73 to August '74 figures in terms of
24 number of child abuse and child neglect cases and
25 we published those in our report and they showed a
26 dramatic increase in child abuse and child neglect and
27 several social workers attended our public meeting in
28 which we reviewed these figures and discussed the mag-
29 nitude of this problem which seemed like a very significant
30 problem at the time and again, I don't work directly in

Dr. M. Dixon
Cross-Exam by Bayly

1 that area so I have no other way of specifically evaluating
2 it. A year later we tried to do a follow-up in August
3 of 1975 to try and see what had happened from '74 to
4 '75 and when we went to this supervisor of this programme,
5 we were told that the figures that we had used and
6 incidentally, after we had published and used them, they
7 had used them in support of their budget and so forth,
8 were erroneous figures and that in reality the number
9 of cases hadn't changed over a four year period and that
10 the reason that the figures they gave us were erroneous
11 was that they were double cumulative. In other words,
12 some cases were counted in more than one category and
13 so forth, and also that the figures didn't necessarily
14 reflect actual situations, they reflected the number of
15 reported cases, not the number of documented cases and
16 that in reality nothing had changed.

17 Well, this puts us at a problem
18 in terms of trying to deal with the subject with any
19 kind of factual data and I think that when you're talking
20 about child abuse and child neglect it's really subject
21 to a lot of emotionalism and it's very difficult to
22 try and document what's going on. We have a further
23 complication and that's that people who have done
24 research in this area are aware that child abuse and
25 child neglect is much more prevalent in military
26 bases than other places and we have two military bases
27 in Fairbanks. So, it would be difficult to know to what
28 extent any changes in the case load would be due to
29 fluctuations in military families versus migrant families
30 and so forth.

Dr. M. Dixon
Cross-Exam by Bayly

So, we've had a very hard time documenting this and I feel somewhat uncomfortable trying to speak to this issue. That aside, I will speak to it a little bit and tell you what I think we can say about it.

Parents are working longer hours, child care is very limited in Fairbanks. I think sometimes parents have to arrange for child care situations which they aren't entirely pleased with. We did a survey of people working locally for pipeline companies to find out how they dealt with their child care problems and we found -- I think it was 56 examples of children being left home alone who were under 12 years old, at least for parts of the day.

Now whether a 12 year old or a 5 year old or a 7 year old can manage at home alone and whether this is a case of child neglect or not, I don't feel in a position to really be able to evaluate. One parent did say she was particularly concerned, even though her daughter was 12 years old and she left this child at home alone and she felt this child was capable of taking care of herself, she was particularly concerned because she couldn't get a telephone in Fairbanks and she wouldn't have felt so concerned if the child had access to a phone and she could call home and check on the child and the child could call her if there was a problem, so it's a combination of a lot of factors have certainly led to less than desirable solutions to child care for at least some parents in Fairbanks.

Similarly, another parent that

1
2 was surveyed had a six year old child who was expected
3 to get to school. I think the parent left for work at
4 six in the morning and the child had to go to school at
5 seven and so the child was responsible for getting himself
6 dressed and walking a half mile or whatever it was to
7 school and the parent was very concerned that the child
8 could be exposed -- you know, not dress himself
9 properly and be exposed to bad weather and you know,
10 severe conditions in the Arctic. I mean, this is a very
11 different kind of situation than if ^{the} /child had to walk
12 six blocks in a more temperate climate.

13 So, I think that a lot of
14 these situations in Fairbanks created undesirable kinds
15 of circumstances for some children. Now, whether the
16 magnitude of that problem and that potential seriousness
17 versus the actual dangers or negative
18 effects that that had, I just don't have a basis of
19 evaluating. I do think there were changes in the community
20 which made it more difficult on children and on parents
21 who were having to deal with children and one of the big
22 problems we had a significant population increase and
23 no increase in child care facilities and there just
24 were not very many adequate child care placement
25 facilities for young children.

26 Q So you would recommend
27 that any community expecting this magnitude of impact
28 should plan child care facilities in advance, much
29 better than Fairbanks did?
30

Dr. M. Dixon
Cross-Exam by Bayly

1 A Well, I think that, you
2 know, this issue of child care is probably one that
3 goes a lot deeper than pipeline impact. I don't know.
4 Maybe different communities cope with it in different
5 ways. But even before the pipeline there was a shortage
6 of child care. We are talking about five child care
7 institutions so to speak -- programs -- serving about
8 135 children for a town that was 45,000 people before
9 the pipeline started. I mean that is just -- that is
10 minimal.

11 The other kind of child care
12 facilities such as licensed child care homes were also
13 minimal. A lot of the problem is that people who do
14 this kind of work get a dollar an hour per child to do
15 that. With the rising cost of living and so forth, it
16 is just not economically feasible for most people to
17 enter into this profession. The people who do don't
18 necessarily provide the best kind of care and there's a lot
19 of pressure. So I think it has to do with the whole
20 structure of child care systems, you know as well as
21 or on top of the whole pipeline problem.

22 Yes, I think there is signifi-
23 cant problems there.

24 Q Did you have the same
25 trouble with the statistics on incidents of juvenile
26 delinquency that you had with child care or child
27 abuse?

28 A Yes. We do have figures
29 from the City Police and from the Juvenile Intake
30 Office with the Courts. I think probably those figures

Dr. M. Dixon
Cross-Exam by Bayly

1 are better than the Child Abuse and Child Neglect
2 figures. Also, just in terms of reported cases, so
3 much of child abuse and child neglect is never reported
4 and it just doesn't show up in figures.

5 Q Did the rate of juvenile
6 delinquency increase more rapidly than the population?

7 A Let me just turn to some
8 figures if you would give me a minute.

9 THE COMMISSIONER: Well maybe
10 let's stop for coffee while you are looking at those
11 figures Dr. Dixon.

12 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

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Dr. M. Dixon
Cross-Exam by Bayly

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 THE COMMISSIONER: All right.

3 Well how are you doing Dr. Dixon?

4 THE WITNESS: I am fine. I
5 don't know if I --

6 Q Did anybody get you some
7 tea?

8 A No, I am fine.

9
10
11 We were talking about
12 juvenile arrest rates. It occurred to me that the data
13 that I have been working with most recently is not in
14 our Impact Center reports and I don't have it with me.
15 But the figures in the reports are primarily for 1973
16 and 1974. Since then, I have figures for 1975 also.

17 The major increases have been
18 in the areas of shoplifting, auto theft, runaways have
19 been a big problem. In 1976, we have seen a real rash
20 of armed robberies among juveniles which I think I
21 explained yesterday I think is at least somewhat related
22 to the drug situation in Fairbanks. So
23 we do have figures that have documented increases
24 in these particular areas.

25 Q Do you feel without having
26 the statistics at your fingertips that the increases have
27 outstripped the increased rate of population growth?

28 A In some areas, for sure.
29 We are seeing a doubling for example in shoplifting.

30 We certainly have not had a doubling of population growth.

Dr. M. Dixon
Cross-Exam by Bayly

1 So, yes. I am sure that's true. Increases in auto
2 theft have escalated in Fairbanks to a much greater
3 extent than population.

4 Q Now, realizing that it is
5 difficult to put numbers to these things, let's look at
6 the facilities that deal with mental health problems in
7 Fairbanks. Has there been an increased load on them that
8 is more than proportionate to the increase in population?

9 A Yes. In one of our reports
10 that we put out was on mental health facilities
11 which we looked at the hospital, community mental
12 health clinic and crisis lines; these various organiza-
13 tions. There have been significant increases in mental
14 health -- in the use of mental health facilities in all
15 of these. I thought that, maybe I could turn
16 to that real quickly here.

17 I am citing figures that are
18 in our report number 21 for your future reference. The
19 percent of psychiatric patients

20 as a total of the percentage of patients in the
21 hospital increased in 1975 as compared to 1974 but then
22 it was kind of fluctuating. I would say that we
23 are talking about somewhere in the vicinity of a 45%
24 to 60% increase. This is more than what the population
25 increased during this period, presumably.

26 At the same time we got more psychiatrists
27 in town. This might affect the rate of hospitalization
28 also. So, I don't know how you want to use that as a
29 particular indicator. The number of calls to crisis
30 line which is the Crisis Intervention Program -- if we

Dr. M. Dixon
Cross-Exam by Bayly

1 compare 1973 with 1975, you see an increase from about
2 1% of the calls being suicide calls and in '73 to 5%
3 in '75 and so forth.

4 Increases in their percentages
5 of calls relating to child abuse, alcohol and relating
6 to basic things like housing. The mental health clinic,
7 if you compare their case loads, active cases and
8 also new cases, compare '75 with '73, you also see an
9 increase which I believe is approximately 40 to 50%.

10 So all of these areas that we
11 have for indicators do show increases. The increases
12 are probably not as dramatic as some of the other kinds
13 of increases that we have seen. In other words, we are
14 not seeing a doubling or, you know, we are seeing
15 somewhere between 40 to 50% increase which a significant
16 increase. But there we are talking about population
17 increases that are in that same kind of range too.

18 Q Who is using these
19 facilities? Do your surveys and statistics indicate
20 whether it's different groups in society or in-migrants
21 as opposed to long term residents?

22 A We don't really have any
23 figures that show that but I have talked with people
24 who are working with the different programs. Basically
25 what we are finding is that most of the State programs --
26 most of these programs are -- well, most of the
27 agency kinds of approaches to mental health are used
28 by long term residents as opposed to incoming people.
29 I think the incoming people perhaps because they have
30 greater health insurance benefits or something like that,

Dr. M. Dixon
Cross-Exam by Bayly

1 or because they are more self-sufficient or something
2 or just less comfortable using agency kinds of facilities
3 are probably more likely to turn to private physicians
4 and you know private psychiatrists. With the exception
5 of the utilization of the emergency room at the hospital
6 which has increased significantly and that is due
7 primarily to newcomers who think that they are going to
8 find a general hospital emergency room and they don't.

9 Q Has the fact that young
10 people work part time or have dropped out of school and
11 worked full time and have gained a new position of
12 affluence had anything affect on the mental health of
13 the community and their families that you have been able
14 to observe?

15 A There is a lot of
16 discussion about that. Some people feel that this has
17 been a very positive thing for teenagers and some people
18 feel that this is a potentially negative thing for
19 teenagers. I think this is one of those long term
20 effects that we are not going to know for a while.
21 Talking to teenagers themselves, and I have to some
22 extent although in no kind of a systematic way, I think
23 that it has given them a sense of responsibility and
24 pride to be able to work in an adult role in the
25 community. I think the real problem comes when they
26 perceive a conflict in their roles. They are functioning
27 -- say they have a job in the morning as a teller in a
28 bank. They are functioning in an adult role and then
29 they go to school in the afternoon and they have to get
30 a pass to go to the bathroom. They are just -- you know,

Dr. M. Dixon
Cross-Exam by Bayly

1 they don't like straddling these two kinds of
2 worlds; being treated as an adult in one situation and
3 being treated as a child in another situation. I think
4 that this makes a certain amount of conflict for them
5 in their roles in the community but that the actual
6 situation, most employers that I have talked to say that
7 their teenagers have been outstanding employees. Most
8 of the teenagers seem to feel that they are serving a
9 valuable function in their job.

Dr. M. Dixon
Re-Examination

1 MR. BAYLY: Those are all the
2 questions I have. Thank you very much.

3 MR. GOUDGE: Mr. Commissioner, Mr. Steeves/
4 me he has no questions. Mr. Hollingworth? advises

5 MR. HOLLINGWORTH: I have no
6 questions.

7 MR. ROLAND: One short question
8 in re-examination.

9
10 RE-EXAMINATION BY MR. ROLAND:

11 Q Dr. Dixon, I understand
12 you've now had an opportunity to at least briefly look
13 over Mr. Boorkman's evidence. Perhaps you could comment
14 on that.

15 A Well, I want to state that
16 I haven't read the entire testimonial, I've only skimmed
17 through it and I feel inadequate to really make very
18 detailed or definitive kinds of comments, so I hope that
19 any comments I make will be taken in that light.

20 I'm aware, in looking at his
21 evidence, that Mr. Boorkman obtained much of his data
22 on the impact of the Trans-Alaska Pipeline system from
23 the Impact Information Centre, and I assume that the
24 data that he is using is accurate, while I don't
25 necessarily agree with his interpretation of it.

26 Again I haven't had a chance
27 to examine it from the point of view of the accuracy
28 of the data, just in terms of time. I believe that his
29 thesis -- and I know that I'm over-simplifying it and
30 I hope that you'll correct me if I'm wrong in presenting

Dr. M. Dixon
Re-Examination

1 it this way, but this is what I'm going to address myself
2 to, is that impacts are due to population increases, and
3 that population increases are due to primarily to having
4 the hiring halls located in the north, and particularly
5 in Fairbanks when he addresses this problem. Would that
6 seem like a fair statement of his thesis? You've
7 heard his entire testimony.

8 THE COMMISSIONER: Yes, it's
9 fair as far as it goes, but don't worry about that. You
10 carry on.

11 A O.K. Well, I can't take
12 issue with this significantly without reading the
13 entire testimony, but I would like to point out that
14 there are several factors to consider in relation to this
15 kind of an hypothesis.

16 First of all, not all the
17 population increase in Fairbanks has been due to job-
18 seekers. Much of the increased population has been due
19 to people who have been recruited to fill an expanding
20 economy, and I think that there's a distinction that
21 needs to be made here between the people who are coming
22 up and speculating on jobs, versus the people who have
23 been hired to fulfill specific jobs and move their families
24 and so forth, or just themselves, to Fairbanks. I think
25 I mentioned earlier that we haven't had the kinds of
26 speculative job-seekers that I think a lot of people
27 have a mental image of, or a stereo-type of. In other
28 words, a person who comes up, is unprepared, and then
29 relies upon the local system to bail them out. We just
30 haven't had that. People who come up have been largely relatively

Dr. M. Dixon
Re-Examination

1 prepared and have not had as significant an impact on
2 the community as this whole process of expanding the
3 economy and the number of people who have come in to
4 take roles which go hand in hand with an expanding
5 economy.

6 Secondly, changes -- what we
7 found at the Impact Information Centre is that changes
8 are not in a direct linear relationship with the popula-
9 tion and this linear model, I think, that is being
10 used by many people who are doing projections of
11 impact in areas where you assess the current situation,
12 you add to it the population that you're expecting, you
13 sum that up and that's what you get for an impact.

14 We found that there is a
15 different kind of relationship than a linear relationship
16 and two components of this relationship would be that
17 in some cases there's a threshold operating, that when
18 you exceed that threshold your problems are much worse
19 than before. In other words, you don't have a linear
20 relationship and also as I pointed out in my testimony
21 that many of the changes in the community have been
22 changes in the structure of the community, not just
23 changes in the magnitude of the people and demand on
24 services.

25 Finally, I would like to point
26 out, ⁱⁿ particular, that this is really critical, is that
27 the role of Fairbanks in relation to the pipeline
28 has been greater than that than just being the locus
29 of hiring halls. I think the economies of building a
30 pipeline has dictated certain kinds of patterns in

Dr. M. Dixon
Re-Examination

1 transportation. Since Fairbanks is at the end of the
2 highway system and the railroad system, goods are shipped
3 to Fairbanks overland and then are flown north to the
4 construction camps, at least they were until the road
5 was built; and this has made Fairbanks an ideal trans-
6 portation centre. As a transportation centre, it has
7 required much more -- it's created much more activity
8 in the areas of transportation and warehousing, communi-
9 cations, all the things that go along with being a
10 transportation centre. Also, Fairbanks has been an
11 administrative centre. Again I think this has to do with
12 the logistics of operating a pipeline, that the head-
13 quarters at Fort Wainwright have administrative personnel
14 and because this is the administrative centre to the
15 northern section of the pipeline, all the contractors
16 also have their offices in Fairbanks. So we have
17 quite a few people in Fairbanks specifically to do
18 jobs in Fairbanks, not necessarily seeking jobs. I
19 think this is very much responsible for the growth in
20 the community, for changes in the community and so forth.

21 I think it's important to
22 distinguish these roles from just being the locus of
23 hiring halls, and I don't know if Mr. Boorkman brought
24 that out in his testimony or not. I didn't see it,
25 looking through it.

26 Q I think it is fair to say that
27 He thought that the main
28 impact was owing to an influx of population, looking
29 to prospects of employment on the pipeline without having
30 secured employment on the pipeline in advance, and
you're suggesting there's another component to this,

Dr. M. Dixon
Re-Examination
Cross-Exam by Hollingworth

1 and that is the expansion of the Fairbanks economy in
2 a number of ways, and the recruitment of persons from
3 the lower 48 to fill those roles, and that's very
4 interesting.

5 A O.K.

6 MR. ROLAND: Thank you. Those
7 are all the questions I have.

8 MR. HOLLINGWORTH: It just
9 seems that's more in the nature of direct examination,
10 I just wondered if I could put a question to Mrs.
11 Dixon?

12

13 CROSS-EXAMINATION BY MR. HOLLINGWORTH:

14 Q You say that many of the
15 people going up are actually filling job vacancies.
16 They're not so much speculators looking for jobs, but
17 they're going up because job vacancies have been created
18 in Alaska.

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2 A Well, let me just say
3 that what I'm saying is not that a lot of people have
4 been going -- there have been a lot of people going up
5 speculating trying to get jobs, but I don't think that
6 that's had as significant an impact on the community in
7 terms of community change as the fact that the economy
8 has expanded to create new jobs right in Fairbanks and
9 that people -- and that those new jobs have changed the
10 community and that people coming to fill those jobs have
11 changed the community.

12 Q But isn't it also fair to
13 say that a good deal of the impact from the creation of
14 those jobs results from the fact that the people filling
15 the jobs are also bringing in families with them?

16 A Yes. They would be much
17 more likely to bring families than job speculators. Most
18 of the job speculators aren't bringing in their families.

19 Q And if people were not
20 to bring their families or if, in fact they were outside
21 the town of Fairbanks and the impact would be substantially
22 less.

23 A Well, you know, my feeling
24 is that there's lots of changes that aren't necessarily
25 related to families coming up either. You know, there's
26 changes in land use, there's changes in the whole economic
27 structure of the community, we now have certain kinds
28 of manufacturing that we didn't have before, we have a
29 lot more warehouses. There's changes in the whole traffic
30 patterns of the town that affect the town. There's lots

would just like to point out in conjunction with this is that for example, school enrollments in Fairbanks have not really increased dramatically. I mean, you can't really say -- if you look at the school enrollments and say school enrollments haven't increased too dramatically so the number of children hasn't really increased. You can really say that families is the main contributing

Dr. M. Dixon
Cross-Exam by Hollingworth

1 factor to all these other problems.
2

3 THE COMMISSIONER: That's what
4 Mr. Boorkman said.
5

6 MR. HOLLINGWORTH: Yes.
7 Now, another point you make is that Fairbanks is sort
8 of the end of the road and therefore it became a natural
9 transportation center and I take it that if that trans-
10 portation drop-off point had been removed, say to a
11 point 100 miles from Fairbanks, in a relatively isolated
12 camp, that it goes without saying that the impact on
13 Fairbanks would have been lessened considerably as well?

14 A Well, one of the things that
15 you have to realize too, I don't disagree with you, is
16 that most of the transportation services have been
17 contracted to contractors essentially.

18 Q Yes, yes.

19 A And there are certain
20 advantages for those contractors to locate in Fairbanks
21 as opposed to a hundred miles down the road in terms of
22 both support structures in Fairbanks, in terms of being
23 able to utilize the airport and to themselves contract
24 for warehousing space or office space or supplies and
25 so forth.

26 Q But, you probably couldn't
27 dispute me if I suggested that it could be arranged
28 contractually, that those contractors would have to --
29 could be obliged to move their staging point a hundred
30 miles away from Fairbanks and in that case you'll go

Dr. M. Dixon
Cross-Exam by Hollingworth
Cross-Exam by Sigler

1
2 along with me in saying that the impact would have been
3 much less on Fairbanks?

4 A Yes, certainly if the
5 planes carrying cargo didn't take-off from the Fairbanks
6 airport, then there would be less impact on the Fairbanks
7 airport. I mean, I think that is undisputable.

8 Q Yes. An obvious statement.

9 A Uh huh.

10 Q Thank you.

11 THE COMMISSIONER: Do you want
12 to ask some questions.

13 MR. SIGLER: On the new evidence--

14 THE COMMISSIONER: Yes.

15 MR. SIGLER: -- relating to
16 Dr. Boorkman's evidence.

17 CROSS-EXAMINATION BY MR. SIGLER:

18 Q I believe in addition
19 to the comments on the location of hiring halls as a
20 recommendation of Dr. Boorkman's evidence, the other
21 recommended solution he gave was a properly enforced
22 local hiring policy were the two aspects, I believe,
23 to his recommendations to get around the problem of
24 increases of population to the extent that they took
25 place in Fairbanks. I wonder if you could comment
26 on what effect a properly enforced local hiring policy
27 might have had in changing the impact on Fairbanks?

28 THE COMMISSIONER: Can I just
29 add to what Mr. Sigler says? That seems to me to be
30 an important point.

1
2 As I recall his evidence,
3 Mr. Boorkman said that Alaska never did adequately
4 define what an Alaskan was for purposes of local hire
5 preference and secondly, they never really did get
6 around to enforcing the thing anyway and people went
7 and got these certificates from somebody that said, "I
8 am an Alaskan", and even if they just got off the plane
9 that morning, well, there it was. I don't know whether
10 that's your recollection of what he said.

11 MR. SIGLER: Right, and I
12 ask you to comment on it because we just heard from
13 Foothills panel similar statements as this key to -- key
14 elements in their projected population figures were
15 their local hire policy working. I wondered if you
16 could comment on that?

17 A Yes, I would like to
18 address that specifically, but give me one moment, please.

19 As far as defining an Alaskan
20 for the purposes of local hire, the law is very specific
21 in this regard and I would just like to tell you how
22 the definition is set forth so that that will eliminate
23 some kinds of questions about it.

24 The law defines a resident
25 as a person who, and I'm quoting;

26 "1. Except for brief intervals or
27 military service has been
28 physically present in the state
29 for a period of one year immediately
30 prior to the time he enters into a

- 1
2 contract of employment.
- 3 and 2. Maintains a place of residence within
4 the state.
- 5 and 3. Has established a residency for voting
6 purposes within the state.
- 7 and 4. Has not, within the period of required
8 residency, claimed residency in another
9 state.
- 10 and 5. Shows, by all attending circumstances,
11 that his intent is to make Alaska his
12 permanent residence."

13 And that's stipulated in
14 sections 38.40.090 of the Alaska Statutes. So I think
15 there is a clear definition of what a resident is for
16 the purposes of local hire. The problem was that the
17 state did not develop regulations for implementing this
18 definition into the local hire practices until relatively
19 recently, within the last year and consequently, it was
20 up to the unions or the contractor to determine who was
21 a resident and who was not rather than any kind of an
22 outside force and then the state within the last year
23 has started this residency card program where people
24 have to apply for certification as a resident by filling
25 out an application and then the State Department of
26 Labour becomes responsible for validating the information
27 on that application and in issuing the card.

28 So, I wouldn't say that -- I
29 would say that there is at least, to some extent, a
30 black market for those cards. I know that there's been

1
2 at least one case of that and the problem, however,
3 has been several -- one has been that the state didn't
4 implement the residency card programme until relatively
5 recently. Secondly, the unions are the major source of
6 referral for jobs and the unions
7 have not been set up to give preference to Alaskans.
8 They have been set up to give preference to their members
9 with long tenure and consequently, in order to make the
10 program work, there had to be changes in the whole
11 structure of the union system and the whole structure
12 of employment and this only happened in the last several
13 months, that a case was taken to the National Labour
14 Relations Board challenging whether or not giving
15 preference to people with residency cards actually
16 was discriminating against other members of the union
17 and the National Labour Relations Board ruled in
18 favour of the residency card programme and the reason
19 is because -- I mean, part of the problem is that the
20 unions have negotiated contracts with the associated
21 general contractors, which call for one type of a
22 structure, which gives preference to union members with
23 long tenure.
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Dr. M. Dixon
Cross-Exam by Sigler

1 They signed an agreement with
2 Alyeska which has a residency hire stipulation, so
3 they've essentially been operating under two separate
4 sets of rules and have been favoring the set of rules
5 that's more traditional for them. So a lot of the problem
6 has been working out a system, getting the unions to
7 recognize the system, implement it, and so forth, and
8 it's been -- there have been a lot of problems but
9 I don't think it stems from a lack of definition of
10 what a resident is. It stems from a lack of development
11 of regulations and implementation of those regulations,
12 and enforcement of them and so forth.

13 Q My question is though, what
14 difference would a properly enforced local hire policy
15 or one that actually was working in practice have made
16 on the impact of Fairbanks?

17 A I don't understand what
18 difference it would have made at all. I think it would
19 have made a difference to local people who wanted jobs,
20 in that they would have felt that they would have had
21 a greater opportunity to obtain those jobs through the
22 union system; but I don't think that that would have
23 necessarily changed anything else.

24 THE COMMISSIONER: People
25 would have still come from the lower 48.

26 A Well yes, I think that
27 people realized that if there is going to be 22,000 jobs
28 and when people see Time magazine or somebody holding out
29 a cheque for \$1,000 a week there might be a lot of
30 Alaskans that are going to get hired, but there's going

1 to be one job there that they can get, you know. I don't
2 think that that really -- because I think that this is
3 part of the national news media campaign saying that
4 preference was being given to Alaskan when there wasn't.
5 You know, I think it might have changed a few circum-
6 stances here and there but in the big picture I don't
7 really see how that would have -- because Alaska couldn't
8 provide the total labor force for this project anyway.
9 I think everybody recognized that.

13 A No, I mean it would have
14 made a difference to Fairbankans and to Alaskans in
15 terms of getting the jobs, but I don't think it would
16 have made that much difference in terms of influx of
17 people into Fairbanks.

20 MR. SIGLER: That's the only
21 question I had, sir, with regards -- on Dr. Boorkman's
22 evidence.

26 THE COMMISSIONER: Well, thank
27 you very much, Dr. Dixon, it's been a pleasure for all of
28 us to chat with you and we wish you a pleasant trip home.

(WITNESS ASIDE)

H.C. McDiarmid
In Chief

1 THE COMMISSIONER: Mr. Goudge,
2 do you want to begin the next panel, or would you --

3 MR. GOUDGE: Yes sir, I think
4 we could proceed now. Mr. Bayly proposes to present Mr.
5 McDiarmid next. He has evidence in chief which I think
6 will take us just about to the lunch break.

7 MR. BAYLY: Sir, I might say
8 at the outset that although I am assisting Mr. McDiarmid
9 the
10 in/bringing of his evidence to the Commission, he would
11 like it emphasized that he appears on his own independently
12 and has prepared this evidence independent of the Committee
13 for Original Peoples' Entitlement and the Inuit Tapirisat.

14 THE COMMISSIONER: I missed that
15 last. What did you say just before COPE?

16 MR. BAYLY: He's prepared his
17 evidence independently of both COPE and --

18 THE COMMISSIONER: Oh right,
19 right, right, right.

20 MR. HOLLINGWORTH: Does that
21 mean that my friend is going to take the chance to
22 cross-examine Mr. McDiarmid?

23 MR. BAYLY: No, that's not the
24 reason that I say that at all.

25 THE COMMISSIONER: Let's fore-
26 stall that, if we can.

27 HOWARD C. McDIARMID, sworn:

28 DIRECT EXAMINATION BY MR. BAYLY:

29 Q Mr. McDiarmid, could we
30 turn to your curriculum vitae at the end of your

H.C. McDiarmid
In Chief

1 evidence and perhaps you could review that for the
2 record?

3 A Review which?

4 Q Your vitae at the end of
5 the evidence. I understand that --

6 A Any particular area or
7 through the totality of this vitae?

8 Q Just highlight it because
9 it's been entered as an exhibit before the Inquiry.

10 A I see. Well, as stated,
11 I was born on the 30th of May, 1933, in Kamloops,
12 British Columbia, and in that regard I am a sixth
13 generation Canadian, my ancestors having come on my
14 father's side from Scotland a goodly number of years
15 ago. My education prior to the university level was
16 mostly in Vancouver. My Junior High School and Secondary
17 High School education was in Vancouver. I received a
18 B.A. from the University of British Columbia in 1963,
19 having majored in English and anthropology, and simul-
20 taneously with my B.A. studies I was studying at the
21 Union Theological College of British Columbia, now
22 known as the Vancouver School of Theology, and completed
23 a three-year program of study there and was awarded a
24 Testamur in theology in 1964. Between '64 and '66
25 while working in Alberta I registered in a graduate
26 studies program as a vocational student, the Department
27 of Sociology at the University of Calgary with the intent
28 of working towards a Master of Arts degree in sociology.
29 That re-location in 1966 back to British Columbia made
30 it necessary to terminate that course of study, only to

H.C. McDiarmid
in Chief

1 be picked up again in 1970 when I was granted educational
2 leave from the Territorial Government to complete a
3 Master of social work degree, which was done at the
4 School of Social Welfare, now the Faculty of Social
5 Work, I believe, at the University of Calgary.

6 Between 1953 and 1968 during
7 the course of my undergraduate studies, and my theological
8 studies, I was simultaneously engaged in the work of the
9 United Church of Canada, prior to my ordination for
10 11 years, and following my ordination, in 1964, for
11 four years, ranging from serving congregations in
12 rural areas of British Columbia, including Vanderhoof
13 in north-central British Columbia, and Honeymoon Bay
14 and Gabriola Island in the Vancouver Island area; also
15 on the prairies for three years at a place called
16 Airdrie just outside of Calgary, where I was a lay
17 supply from 1955 to 1958; and from 1958 to 1961 I was
18 the Director of Christian Education at Ryerson United
19 Church in Vancouver.

20 From '64 to '66, as I've
21 already mentioned, I served as an ordained minister of
22 a rural pastoral charge in Alberta; and from 1966 to
23 1968 I was the minister of the Sydney pastoral charge
24 on Vancouver Island, just on the outskirts of Victoria.

25 I left the ministry in '68 for
26 two or three reasons, one of which was to gain some
27 experience outside of the church which I felt I truly
28 lacked, and the other was to take advantage of an
29 opportunity to come into the Northwest Territories about
30 which prior to 1968 I really knew very little about.

H.C. McDiarmid
In Chief

1 I have been in the employ
2 initially of the Department of Indian Affairs & Northern
3 Development as the senior area social worker at Hay
4 River from 1968 to 1969, and then transferred with the
5 position to the employ of the Territorial Public Service
6 when the Territorial Government assumed those responsi-
7 bilities in 1969, and continued there until 1970 when
8 as I said, previously I was granted educational leave

9 During the four-month period of
10 '71 I returned as the acting senior area social worker
11 to Inuvik, from May until August, and then returned upon
12 the completion of my studies to Inuvik in April of
13 1972.

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H. C. McDiarmid
In Chief

There I assumed the position of regional supervisor for the Department of Social Development which in effect was the fulfilling the social work function aided by Community Social Welfare workers in the Inuvik region which includes Sachs Harbour and Paulatuk and Tuktoyaktuk and Inuvik itself to a degree; Fort McPherson, Arctic Red River, Fort Good Hope, Norman Wells, Fort Norman, Fort Franklin and Colville Lake.

I then moved into the Department of Local Government from the Department of Social Development at the end of 1972. The transfer was made right at the end of '72 and so from '73 to '75, I was the regional superintendent for the Department of Local Government in the Inuvik region which essentially encompassed the area that I previously described in that region responsible for the implementation and the delivery of the programs and services relating to the development of local government, the political development of the people and their communities, the provision of municipal services. For a part of that period it also included the housing programs of overseeing the administration of the housing programs which are now essentially assumed by the N.W.T. Housing Corporation; the employment programs which the Department of Economic Development now has the responsibility for; emergency measures, library services and etc.

Then in February of 1975, I moved to Yellowknife to assume the position of the head of the training section, Research and Development Division of the Department of Local Government. During the past

H. C. McDiarmid
In Chief

1 two months, I have been engaged in developing a
2 new training program in community and municipal affairs
3 in consultation with the Boreal Institute, Northern
4 Studies, University of Alberta. This is my present
5 position and this is my present activity.

6 My personal feeling was in
7 preparing this submission for this Inquiry on two
8 counts. One was that it was indirectly in response to
9 a personal invitation received from COPE. But it was
10 also felt that in view of the nature of my experience
11 in the area of concern and as a private citizen, I had
12 a responsibility to share with this Inquiry something
13 of my experience and my feelings about those experiences.

14 Q Mr. McDiarmid then could
15 we turn to the first page of your prepared evidence and
16 would you read that for the Inquiry?

17 A My submission to this
18 Inquiry, Mr. Commissioner, is concerned with social,
19 economic, political and administrative forces that I
20 have perceived playing upon the human and natural
21 environments of the Northwest Territories during the
22 past decade and a prediction of the probable consequences
23 of this for the next decade.

24 It is feared by many that the
25 present course development is taking in the western
26 Arctic will lead to the alienation of the indigenous
27 peoples as has been the case over the last 100 years for
28 multitudes of Indian people in southern Canada. The
29 Inuit of the Arctic coast and Mackenzie Delta and
30 Dene of the Mackenzie Delta and River valley have

H. C. McDiarmid
In Chief

1 survived for centuries because they had developed a
2 partnership relationship with their environment. They
3 established a social and a political organization and
4 a lifestyle to complement it.

5 To trace the history of encounter
6 with western society is to trace a dehumanizing process
7 in which the indigenous peoples and their environments
8 were used for the enhancement of others. Through the
9 process of encounter with whalers, and traders and
10 missionaries and R.C.M.P. and government agents and now
11 national and multinational resource developers; they have
12 been made to feel inferior and subservient. The frustra-
13 tion, the loss of pride and self respect, the loss of
14 control of their environment has become personified in
15 a number of ways. It is seen as the major cause of the
16 alcohol problem that prevails among so many today.
17 Through a course of the last century, they have become
18 the subjects of our domination and the objects of our
19 manipulation.

20 It is therefore most difficult
21 to envisage anything but disaster from the social and
22 economic impact upon the indigenous people, their
23 communities and their environment as a consequence of an
24 undertaking that calls for the magnitude of manpower and
25 materials that will be suddenly imposed for the
26 construction and operation of the Mackenzie Valley
27 pipeline project which is proposed as a prelude to the
28 massive development of an energy transportation corridor
29 based upon accelerated exploration activity.

30 For the indigenous people and

H. C. McDiarmid
In Chief

1 their traditional environments, it will be overwhelming
2 destruction unless preventative measures are taken for
3 serious social, economic, cultural and political
4 implications through a tremendous range of negotiations
5 and decisions and commitments and actions before
6 construction activities begin.

7 In the moments before he
8 prorogued the 59th session of the Legislative Assembly of
9 the Northwest Territories on May 28th, 1976, Deputy
10 Commissioner John Parker expressed concern about the
11 "well meaning ignorance of the people" who were among those
12 testifying before this Inquiry during the southern
13 hearings. He expressed particular concern that the
14 organized churches were presenting views that their
15 northern congregations would not support.

16 "There is a real need for more voices of reason
17 in the north today."
18 he stated,

19 "For more people to speak out who truly understand
20 the middle ground that is available to us."

21 Mr. Commissioner, I appear
22 before your Inquiry as a voice of reason in the north who
23 understands the middle ground. At the same time, I do
24 speak as a southern churchman, as a minister of the
25 United Church of Canada who has had the unique privilege
26 of these past eight years to be engaged in a secular
27 capacity and with a secular identity as a public servant
28 in the administration and delivery of programs of
29 development and political development of western
30 local government within the geographical areas that

H. C. McDiarmid
In Chief

1 primary concern to the purposes of this Inquiry.

2 My observation and persuasions
3 and the nature of my experience make it obligatory for
4 me to testify before this Inquiry to provide an objective
5 account of my experience with both government and the
6 indigenous people in the western Arctic between 1968 and
7 1976 to provide an assessment of these experiences as they
8 relate to significant issues and attitudes and to
9 provide substantial predictions of what may evolve
10 depending upon the nature of the decisions made and the
11 conditions imposed and in whose interests the decisions
12 are made and the conditions are imposed.

13 My testimony will be in three
14 parts: the current political climate, dominant attitudes
15 and actions between 1968 and 1976 and predictions.

16 The current political climate
17 currently. Politically, the Northwest Territories is
18 at a critical turning point. The Dene are seeking the
19 opportunity to establish and control their own political
20 institutions and are committed to a concept they
21 summarize as "Dene Nation".
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H.C. McDiarmid
In Chief

1 The Inuit have proposed a new
2 Territorial Government and Council for the area above the
3 tree line they call Nunavut. The Territorial Council and
4 the Territorial Government administration are purported
5 to support the concept of one potential province with one
6 potential legislature and government.

7 This devisiveness in the
8 development of political institutions for administrative
9 control and for social and economic development has
10 contributed to a state of considerable anxiety about the
11 present and the future on the part of a large section of
12 both indigenous and non-indigenous people.

13 There have been strong indicators
14 of late that suggest that the Dene of treaty status are
15 withdrawing their support for the Territorial Council, or
16 as it is now called, the Legislative Assembly of the
17 Northwest Territories. Within the past two months by-
18 elections have been held to fill council seat vacancies
19 caused by the resignation of one member who is now the
20 vice-president of the Indian Brotherhood of the North-
21 west Territories and by a second member who had previously
22 been the president of the Indian Brotherhood.

23 At the time of their election
24 to the Territorial Council in March, 1975, many felt
25 that it was a major break-through that would lead to a
26 solidification of the major political forces and a
27 reformation of government administration. But this
28 hope was short-lived.

29 By-election returns from the
30 Mackenzie-Great Bear riding suggest that at least two

H.C. Mc Diarmid
In Chief

1 communities, Fort Norman and Fort Wrigley, had initiated
2 efforts to boycott that election. In Fort Norman, 34
3 of the electorates appeared out of 132; and in Wrigley,
4 29 out of 90, and the Indian Brotherhood announced that
5 had not the riding of Great Slave been filled by
6 acclamation, a concerted effort was planned to encourage
7 the boycott of that election.

8 It appears that native organiza-
9 tions have some expectation of getting a settlement
10 of their land claims which will complement their
11 political aspirations and enable them to develop and
12 control the community, regional and territorial political
13 institutions in which they are to participate.

14 It has been argued by some that
15 the consideration of the economic benefits that would
16 come to the indigenous people of the Mackenzie Delta and
17 valley from the construction of a pipeline, greatly
18 outweighs any other considerations that arise. More
19 particularly, it is thought by many that if a much
20 greater level of economic prosperity were brought to
21 the native people, the anxieties they presently exemplify
22 would disappear.

23 It is my persuasion that the
24 indigenous people in the Territories at this point in
25 time do not consider themselves to be deprived in an
26 economic sense. They feel deprived in the political
27 sense. There is a terrible need for them to have a
28 legitimate control of their political institutions
29 through which they can regain control of their social,
30 economic and cultural realities, and participate as equal

H.C. McDiarmid
In Chief

1 partners in resource development.

2 The proposal for a regional
3 planning commission for the Mackenzie Delta is an
4 example of a most desirable project which cannot get
5 off the ground unless it can engage the genuine interest
6 and support of the delta communities. The communities
7 in which the native people are still a majority will not
8 co-operate in any such project until they have settled
9 their political future.

10 The political climate at the
11 present time is one of considerable tension and conflict.
12 It is based upon a struggle over values, status and
13 resources.

14 The dominant attitudes and actions
15 between 1968 and 1976, as I have experienced them are
16 most interesting. Having worked directly in the social and
17 political development programs of government, my experience
18 of dominant attitudes and actions is as a professional
19 social worker who has been engaged initially in social
20 practice with individuals and families and subsequently
21 in societal practice with settlement and Hamlet Councils,
22 community organizations, and community leadership.

23 To facilitate the overview, I
24 would like first to present a model as a frame of
25 reference around which my evidence will be based. Models
26 are always open for critical comment and it is acknowledged
27 that the pieces of this model are not total realities
28 as much as being dominant characteristics or themes that
29 I have perceived and experience during specific time
30 periods. Models are also related to the particular

H.C. McDiarmid
In Chief

1 orientation of the individual who has structured them
2 and I claim ownership of and responsibility for this
3 one which indeed I am prepared to defend.

4 Further, the generalities
5 that the model suggests will be demonstrated with
6 specific examples of attitude and action. It is
7 acknowledged of course, that the major components in
8 the time periods referred to do overlap.

9 The model is somewhat difficult
10 to interpret without an interpretation, and on page 5
11 is the outline of my model with subsequent pages --
12 or subsequent evidence will seek to substantiate and
13 demonstrate. But essentially I have identified four
14 components -- an action component, a process component,
15 a dominant government attitude component, and a dominant
16 indigenous attitude component.

17 Before 1968, the action was
18 essentially maintenance; the process dependency, the
19 dominant government attitude doing for, and the dominant
20 indigenous attitude seemed to be passive.

21 Between '68 and '70, the dominant
22 action was one of transition, the process was planning,
23 the dominant government attitude appeared to be doing
24 in consultation with, and the dominant indigenous
25 attitude, compliance.

26 1971 to '73, the action was
27 organization, the process, forming institutions on
28 participatory principles, the dominant government
29 attitude was doing with, and the indigenous attitude
30 accepting.

H.C. McDiarmid
In Chief

1 Between 1974 and 1976 the
2 action is one of conflict , the process, control and
3 manipulation on defensive principles, the dominant
4 government attitude, doing in spite of, the dominant
5 indigenous attitude, rejecting.

6 Then in the area of prediction,
7 the dominant action needs must become resolution for
8 purposes of development, the process power or negotiated
9 which I shall explain in my testimony a little later,
10 the government attitude is speculated to become doing
11 because of, and the indigenous attitude predicted to be
12 ongoing participatory resolution.

H.C. McDiarmid
In Chief

26770

1 From the literature, we can
2 assume that the major characteristics of the period
3 during the decade preceding 1968 was that of dealing
4 with the indigenous people as wards of the state.

5 The action was one of maintenance
6 through a process of developing and sustaining dependency
7 relationships with the government developing and delivering
8 programmes on the impulse and the indigenous peoples being
9 passive recipients of the services delivered.

10 A 1963 Federal Government
11 report on the rising social assistance costs in the
12 Northwest Territories describes in a most interesting
13 way the nature of the relationship that was developing
14 between government and peoples in the Northwest Territories,
15 and I quote portions of that report.

16 "In 1955, an administrative officer
17 with social work training was appointed
18 to the staff of the Department for the
19 purposes of examining the need for welfare
20 services and facilities in the north. In
21 the course of the next five years, a
22 broad programme of welfare services was
23 introduced. The Rehabilitation Programme
24 received first priority. In 1960, the
25 Welfare Division turned its attention
26 to the development of a social assistance
27 programme to replace the old out-moded,
28 "relief", or dole system, then in effect.
29 The next two years were spent in researching
30 and developing the type of programme which

H.C. McDiarmid
In Chief

1
2 would not only compare favourably with
3 welfare standards in the rest of Canada,
4 but would at the same time meet the par-
5 ticular needs and circumstances of the
6 north and its people. The drafting of
7 the programme was completed late in 1961
8 and it went into effect on April 1, 1962."

9 And then a few paragraphs
10 later this document continues and I quote;

11 "Canada as a nation has a strong tradition
12 of free enterprise in economic affairs
13 and a deep respect for the virtue of per-
14 sonal initiative in the attainment of
15 individual and national well-being. In
16 addition, our system of responsible
17 government in this country requires that
18 the expenditure of public funds, for
19 whatever purpose, be justified beforehand
20 and accounted for afterwards. It is only
21 natural then that a good deal of concern
22 should have been expressed by members of
23 both the Territorial and Federal governments,
24 by responsible citizens and by civil servants,
25 in and out of the Territories, over the
26 alarming rise of welfare costs in the north,
27 and over the seeming inability of government
28 administrations, either to control it or
29 to predict future requirements."

30 This statement characterizes

H.C. McDiarmid
In Chief

1
2 one aspect of the nature of the social and the economic
3 situation developing among the indigenous people as a
4 result of a programme during this same period that led
5 to an ever increasing number of people to leave the
6 land and physically establish themselves in settlements.

7 However, during this same
8 period, before 1968, an even more significant event
9 occurred. It happened in 1965 when the Federal govern-
10 ment appointed the Carrother's Advisory Commission,
11 on the Development of government in the Northwest
12 Territories.

13 Three statements from that
14 commission's report published in 1966 are worth quoting.

15 "Every citizen of Canada has a claim to
16 participate in the institutions of respons-
17 ible government under the Canadian Constitution.
18 It is a goal of political development in
19 the Northwest Territories that the optimum
20 number of Canadian citizens resident in
21 the Territories, should, at an optimum speed,
22 participate in government as fully as
23 Canadian citizens resident in the provinces."

24 The second quote,

25 "The Eskimos and Indians, as indigenous
26 minorities, should be free to maintain
27 their cultural and ethnic identities subject
28 to fundamental human rights as recognized
29 by the Canadian Constitution."

30 And the third quote,

"We consider that a continuing and intensified programme for the development of local government, in which all residents can be offered the opportunity of a meaningful role which they can understand, is crucial to the economic, social and political development of the north."

It was assumed by many that the implementation of the recommendations of the Carrothers Commission Report on the development of government in the Northwest Territories would resolve social and economic problems through the establishment of a participatory democracy as a consequence of the political development of the indigenous people.

Therefore, the period 1968 to 1970 is a most significant one. The action was transition, the process planning, the government attitude doing in consultation with, the indigenous attitude, compliance.

During this period, the Territorial government established itself in Yellowknife which was proclaimed the capital, and the administration and delivery of programmes and services was transferred from the Ottawa based establishment of the Northern Administration Branch of the Department of Indian and Northern Affairs to a Yellowknife centered Territorial government.

It was anticipated that this move would bridge the gap between government and people

1 and that the programmes for the social and economic
2 development of the people would become more relevant,
3 responding to the real needs, rather than to distorted
4 perceived needs.

5
6 Politically, plans were initiated
7 to develop local government through a newly formed
8 department having that mandate as its purpose.

9 The Carrothers Commission
10 had noted that the development of any provincial form
11 of government would most naturally follow from the
12 establishment in all parts of the Territories of the
13 third level of government, and this was a significant
14 transition in the 1968 to '70 period when the political
15 direction of local government development would move
16 from Indian and Northern Affairs to the spirit and
17 direction provided by the Carrothers Commission.

18 Out of this was to have emerged
19 a system in which the citizens of the north would partici-
20 pate in the process of making those decisions affecting
21 the future of the north, its communities and its people.
22 As one statement describes it:

23 "In the past, decisions affecting northern
24 settlements often were made by government
25 staff. When it was an emergency situation
26 a decision had to be made quickly, some-
27 times these decisions were not even made
28 by local staff but by someone in the regional
29 or even in an Ottawa office. In the future
30 any decision affecting the community should
be made only after consultation with the community."

1
2 The theme and the excitement of
3 the period 1968 to 1970 was attributed to the hope con-
4 tained in the Carrothers Commission Report.

5 Between 1968 and 1970, the
6 Federal and Territorial governments seemed committed to
7 operationalize the essence of that report and underwent
8 a process of relocation and reorganization in order to
9 do it effectively. A participatory democracy. A
10 government representative of and functioning in the
11 interests of the people it served.

12 The period 1971 to 1973, the
13 action was to organize communities through programmes
14 of community development, the process forming local
15 institutions of settlement and hamlet councils on
16 participatory principles. The government attitude
17 "doing with" and the indigenous attitude "acceptance".
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H. C McDiarmid
In Chief

1 The government was intent to
2 function within the spirit of the Carrothers recommenda-
3 tion applying the developmental process in the establish-
4 ment of self government at the community level. In doing
5 so, we assumed that our task was not merely to develop
6 the administrative skills necessary to the delivery of
7 municipal services but also to enable the people of
8 the communities to increase their level of political
9 awareness in order that they may understand and exercise
10 control over the social, economic and political forces
11 that affect their lives. Its purpose was not only to
12 improve the quality of community life but also to enable
13 individuals and communities to participate effectively
14 and with pride in significant decision making processes,
15 to assist the people in establishing their own instruments
16 of local government as an alternative to the administration
17 previously rendered by Indian agents and northern service
18 officers, area administrators and settlement managers.
19 to enable people to develop skills in problem solving,
20 conflict resolution, community planning, community
21 organization and community development.

22 At the same time, major
23 social and economic factors began to influence signifi-
24 cantly the development of local government process during
25 this 1971-73 period, not the least of which was the
26 Prudhoe Bay discovery of 1968.

27 The implications of Canadian and
28 American oil companies spending hundreds of millions of
29 dollars in oil exploration in the western Arctic and the
30 announcement of the Prime Minister in April, 1972 that a

H. C. McDiarmid
In Chief

\$10 billion transportation network, including a highway and a pipeline would be reality this decade had significant implications for the social, economic and natural environments of the indigenous people. The Prime Minister stated in 1972 that:

"the whole system would be of immense benefit to Canadians. It would encourage the outflow of resources and the inflow of people."

As a result of this, the expectation began to move from political development to that of preparing people to participate in the wage economy and individually to become economically independent.

The public assistance regulations ^{one} were revised in 1971 and change particularly is significant:

"Where a person is unemployed but employable, the officer shall satisfy himself that the applicant is willing to undertake wage employment or self employment for which he is capable and is making reasonable effort to secure such employment or self employment or to avail himself of such training or rehabilitation services as can be provided."

Significant training programs were initiated by government and industry to engage all employables in the wage economy.

During this period, the opportunity was provided for Settlement Council representatives within specific geographical areas to gather together for community development conferences where discussions centered on concerns shared in common by a

H. C. McDiarmid
In Chief

1 number of communities.

2 THE COMMISSIONER: Excuse me
3 Mr. McDiarmid. That was a recommendation of the Carrothers
4 Commission wasn't it that there be these regional
5 conferences related to community development? You didn't
6 refer to the Carrothers Commission at this point --

7 A No. That was part of the
8 underlying theme. One of the things that the Carrothers
9 Commission proposed was the establishment of an institute
10 of public affairs. It was to have an educational
11 training function through regional types of organization
12 and conferences was one of the components I believe.
13 Yes sir.

14 Q Right. Sorry, go ahead.

15 A One such conference was
16 held in June, 1973 with the participation of Settlement
17 Councils in the Great Slave Lake area including Fort
18 Resolution, Snowdrift, Lac La Martre and Wrigley. The
19 participants engaged in healthy discussion around such
20 themes as alcohol, highways, tourism, housing, education,
21 land settlement and employment and that conference
22 produced significant recommendations in respect to the
23 concerns expressed in these areas.

24 In reviewing these recommendations
25 now, they appear as "mild requests" and most of them
26 in one way or another have been met. But when they
27 were first received by government, they were interpreted
28 as presenting a powerful threat and prompted a reaction
29 from the Territorial Government that defuse the construc-
30 tive participating spirit in which they were formulated

H. C. McDiarmid
In Chief

1 and presented. One government official responded to the
2 recommendation with the comment,

3 "Either these people are poorly informed or they
4 are trying to apply some sort of power play."

5 The government gave strong
6 indication that it was the agent that would control and
7 direct northern development and the indigenous people
8 would participate by adhering to the terms and conditions
9 laid down. The people could not participate in
10 formulating the terms and conditions nor were they to
11 be allowed to modify them through the forum of Council
12 conferences. The extent of their authority and respons-
13 ibility was to remain advisory in matters relating to
14 program policy and northern development.

15 The attitude began to develop
16 that said in effect, Settlement Councils were agents of
17 the senior governments in the community. They were not the
18 political institutions of the people who elected them.
19 It is of interest to note that the political thrust of
20 the Councils represented at the Great Slave Community
21 Development Conference in 1973 diminished and from that
22 point onward the political concerns began finding
23 expression through the native organizations. So this
24 period that began on an enthusiastic note of participation
25 ended with feelings of rejection.

26 Thus the period 1974-1976 is
27 identified as a period of conflict, with government
28 solidifying its approach to control and direct upon de-
29 fensive principles doing in spite of. Tensions
30 between and among government and people really began to

H. C. McDiarmid
In Chief

1 develop.

2 Three significant events
3 occurred in 1974 which has had a profound influence upon
4 subsequent developments during this period that is
5 characterized by conflict.

6 1. Was the paper on the "Philosophy of Local Government".

7 2. Was the formalized expression of the Dene on the
8 question of land claims, and,

9 3. The appointment of this Commission of Inquiry as a
10 result of the applications of Canadian Arctic Gas and
11 Foothills to build pipelines.

12 Dr. Louis Hamelin who partici-
13 pated in the overview hearings of this Inquiry by
14 delivering a paper entitled "Political Development in the
15 Canadian Northern Territories" initiated the preparation
16 of "A Paper on the Philosophy of the Department of Local
17 Government" during the 51st sitting of the Territorial
18 Council in January, 1974 as an appointed member of that
19 Council.

20 He expressed the concern that
21 there were two forms of government in the Northwest
22 Territories;

23 "The one that tries to go down from the top and
24 the one who tries to build up from the base".

25 He raised the fundamental question as to whether or not
26 the two would meet.

27 Considerable energy was
28 invested and a number of consultations were held with
29 communities, native organizations, academics and members
30 of the Territorial Administration out of which was produced

H. C. McDiarmid
In Chief

1 in January, 1975 "A Paper on the Philosophy of the
2 Department of Local Government". Essentially, this
3 paper confirmed Dr. Hamelin's concern and laid out the
4 means by which the indigenous people may become
5 significantly involved in the evolution of Territorial
6 political institutions and in the eventual reformulation
7 of constitutional relationships.

8 Public discussion of this
9 paper has been prevented mainly because it suggests that
10 the traditional municipal model of local government is an
11 interim structure for political development rather than
12 a permanent structure for community administration and that
13 out of this process of political development will evolve
14 the institutions that reflect more adequately the aspira-
15 tions and the concerns of the indigenous people.

H.C. McDiarmid
In Chief

Needless to say, the municipal model of local government serves well the interests and the concerns of Euro-Canadians moving into the Northwest Territories. Such a democratic model is recognized as ensuring political rights without discrimination, as well as providing public services and for fair dealings between citizen and society. But a question raised by the philosophy paper based upon the comments of the indigenous people themselves was the model success in providing for their involvement and for the safeguarding of their interests. It was found that in communities like Yellowknife, Fort Smith, Hay River and Fort Simpson that the municipal model contributed more to the political exclusion and the isolation of the indigenous people living within the boundaries of such municipalities.

The philosophy paper also accentuated the moral principle in respect to questions of the consent of the indigenous people to be governed by a system that is superimposed and that has a tendency to by-pass traditional laws and language and practices. The extent to which it removes their right of self-determination is a question of primary concern.

However, optimistically the philosophy paper states -- and I quote:

"There can be no question that this government from the base will eventually meet the government from the top. On what terms and what political processes and structures will result can only be a matter of speculation. What is accepted as being certain and is taken as the

H.C. McDiarmid
In Chief

1 cornerstone of the philosophy is that the union
2 of these two governments will be a function of
3 the political expression of the people of the
4 Northwest Territories."

5 In this regard, to the direction
6 provided by the philosophy paper, the thrust of the
7 department of local government has been moved away from
8 developing political awareness to that of developing
9 competent tax-based municipal structures and administra-
10 tions. Actions pertaining to political development
11 are to be left with the native organizations.

12 The second significant event
13 to occur in 1974 that has influenced subsequent development
14 during this 1974-76 period of conflict was the formulation
15 of the Dene philosophy and position on the question of
16 land settlement.

17 At a week-long meeting at Fort
18 Good Hope in June, 1974, 250 people representing the
19 Dene (status, non-status and Metis), of the Northwest
20 Territories

21 "declared their continuing ownership of 450,000
22 square miles of traditional land."

23 Such a claim 30 years ago would
24 not have received the level of resistance that it has
25 received today. How vividly I remember being told in
26 a Grade 7 social studies class in a Vancouver school,
27 during discussions on the Indian Reserve system in Canada,
28 that the Mackenzie District of the Northwest Territories
29 was not legally defined as such, but was treated in fact
30 as an Indian Reserve.

H.C. McDiarmid
In Chief

The increased political consciousness of the Dene, their formal organization of brotherhoods and associations, the immediate threat to traditional land use habits as a result of resource development contributed to the formalization of claim.

In an address concerning this claim, James Wah-Shee, the past president of the Indian Brotherhood of the Northwest Territories, quoted a declaration of the Tanzania African National Union that he felt was applicable to the predicament into which the Dene felt they were being placed.

"Any action which does not increase the peoples' say in determining their own affairs or running their own lives is not development and retards them, even if the action brings them a little better health and a little more bread."

A year later at the Fort Simpson Assembly, the Indian Brotherhood made a Dene Declaration, the final line of which capitulates their aspirations:

"What we seek then is independence and self-determination within the country of Canada. This is what we mean when we call for a just land settlement for the Dene Nation."

In situations of conflict every action precipitates a reaction.

The Minister of Indian Affairs & Northern Development delivered the response of the Government of Canada to the Dene Declaration:

"The Government of Canada will not accept a

H.C. McDiarmid
In Chief

1 Declaration of Independence from any group
2 within its borders. It has and will continue
3 to foster the greatest possible diversity of
4 its cultural groups. Canada is a multicultural
5 society and the Canadian Government does not
6 wish to see any particular group, especially
7 its aboriginal people, lose their particular
8 culture and way of life. However, all cultural
9 groups must be willing to participate in the
10 Canadian society and system of government and
11 take the responsibility for making that govern-
12 ment through co-operation, serve their needs."

13 The third significant event to
14 occur in 1974 that has also influenced substantially
15 the 1974-76 period of conflict was the application to
16 build a Mackenzie Valley Pipeline and the subsequent
17 appointment of this Commission of Inquiry.

18 More than anything else, this
19 Commission of Inquiry is seen by many as an opportunity
20 to reconcile the natural resource requirements of southern
21 metropolis and the aspirations of indigenous peoples
22 to retain control of their traditional environments and
23 to preserve their culture as participating members of
24 Canadian society.

25 In respect to all of these
26 significant happenings, the Territorial Government has
27 avoided serious commitment and meaningful participation.
28 An attitude and a behaviour that most certainly has
29 contributed to the divisiveness and the development of
30 political institutions that I have referred to earlier.

H.C. McDiarmid
In Chief

1 In the approach that has been
2 taken towards these issues the Territorial Government
3 has been forced to present itself not as a peoples
4 government at all, but as a federal administration in the
5 north, functioning as the agent of the Department of
6 Indian & Northern Affairs. The state of the conflict
7 that currently prevails is a most serious one indeed.

8 The most critical action of the
9 next tri-annual period -- 1977-1979 -- is to find a
10 resolution. Will it be through the imposition of force,
11 or will it demonstrate the ability to negotiate as
12 equals on a continuing basis? It should be noted that
13 the Carrothers Commission in 1966 made its recommendations
14 for a period of ten years and stated,

15 "that the question of government of the Northwest
16 Territories be reviewed again in ten years' time,"
17 that is 1976.

18 As far as I know, no review has
19 been initiated, even though it is apparent that there
20 are a number of significant attitudes on this very question.
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H. C. McDiarmid
In Chief

1 This divisiveness in the
2 development of institutions in the Northwest Territories
3 seems undesirable, if not perverse.

4 This Inquiry itself Mr.
5 Commissioner, might have been easier to carry out if this
6 recommendation of the Carrothers Commission to review
7 Territorial Government had been first implemented.
8 For is it not the most commonly recurring theme placed
9 before you by the people of the Territories that the
10 development of a pipeline should follow upon, not
11 precede, the resolution of the political and the
12 constitutional questions raised by land claims, by
13 political declarations and proposals of the native
14 people, by the Council of the Northwest Territories
15 and by other bodies; substantial and insubstantial.

16 The alternative, to avoid the
17 resolution of these issues and to proceed with the
18 pipeline seems in danger of becoming merely a competition
19 between interests and in this competition, some of the
20 interests seem much less well equipped to compete than
21 others. Perhaps worst of all, the Government of Canada
22 seems to be running some risk of becoming itself one
23 of these interests. Whether or not one is for or against
24 the pipeline in the Mackenzie Valley, surely the settle-
25 ment of the political future of the people of the
26 Northwest Territories within Confederation should be a
27 higher priority than any one particular economic project.
28 Is there not some truth that the question of the
29 pipeline -- the question of the economic and technological
30 desirability and feasibility of the pipeline ought not

H. C. McDiarmid
In Chief

1 to supercede the question of the democratic constitutional
2 development of the Northwest Territories establishing
3 for the people of the Northwest Territories a participatory
4 democracy.

5 The manner in which this issue
6 is resolved will determine the level of participation of
7 the indigenous peoples in the social and economic
8 developments of the Territories.

9 If we truly intend native
10 people to participate and their communities to survive,
11 then they must have the political means to participate
12 and to survive. They must be able to control the
13 development of their own communities and regions. They
14 must be able to provide for their own needs in concert
15 with the larger Canadian society of which they are
16 members and prepared to remain a part.

17 The prediction. I have
18 identified the current character of the relationship
19 between government and the indigenous people as one
20 of conflict.

21 It is apparent that the action
22 must soon become that of resolving the conflict through
23 one of two possible processes: power resolution or
24 negotiated resolution.

25 Power resolution leads to a
26 situation of having winners and losers.

27 Negotiated resolution leads to
28 an outcome of benefit to all parties participating in
29 the negotiating process.

30 The prediction of outcomes is

H. C. McDiarmid
In Chief

1 dependent upon the resolution process that is implemented.
2 In short, power resolution may lead to a devastating
3 results. Negotitated resolution should enable the
4 indigenous people to control their environment, to
5 participate in its development and to be fully involved
6 in the decision making process that will determine how the
7 resources of that environment are to be utilized and
8 how the profits of those resources are to be shared.

9 For the present and the future,
10 negotiation appears as being the most desirable.

11 But even at this point in time,
12 we are not sure of the approach that will be taken.
13 Therefore, it is necessary to develop two sets of
14 predictions in respect to the social and economic impact
15 of the Mackenzie Valley Pipeline. The first is based
16 upon power resolution and the second is based upon a
17 resolution that is negotiated.

18 Pipelines may be built and an
19 energy corridor may be developed up the Mackenzie
20 River valley. What is at issue is whether or not the
21 indigenous people will become casualties or benefactors
22 as a consequence of such a development and its social
23 and economic impact.

24 Will it become an either/or
25 situation or will there be an innovative compromise?

26 Will it be a continuation of the
27 old approach which is either a quick and intensive attempt
28 to break down and integrate into the wage economy and
29 the mainstream of Canadian life or a relegation to the
30 back woods, to the edge of town as was the practice 100

H. C. McDiarmid
In Chief

1 years ago? Or will it be something different this time?

2 Will Fort Good Hope which is
3 now a settlement of 400 become a town of 2,000 when the
4 energy corridor is fully developed? Will the present
5 control of the community under Hareskin leadership be
6 passed over to an immigrant population as has happened in
7 other areas previously inhabited only by aboriginal
8 people? Will Fort Good Hope remain a community of
9 Canadian of Hareskin language and culture or will it
10 become another community of Canadians of English and
11 French language and culture with a Hareskin reserve
12 close by and a Hareskin skid row downtown as is the
13 case in Hay River today?

14 In the past, we have settled
15 aboriginal rights by removing their political rights and
16 their freedom through legislation and by moving into
17 their physical environment and taking it over without
18 negotiation or compromise.

19 The political climate in Canada's
20 north and the moral climate in Canada's south seems to
21 dictate an alternative which the process and anticipated
22 outcome of this Inquiry is having a profound influence
23 upon. As the Carrothers' Commission initiated a program
24 of political development of indigenous peoples, the
25 Berger Commission sir, may become recognized in a decade
26 as having initiated a program of social justice for
27 Canada's indigenous peoples.

28 Alva Ingerdal wrote in 1941 that:
29 "Social reform policies may be conceived as passing
30 through three stages: a paternalistic conservative

H. C. McDiarmid
In Chief

1 era when curing the worst ills was enough, a liberal
2 era when safeguarding against inequalities through
3 the pooling of risks is enough; and a social
4 democratic era when preventing the ills was attempted.
5 The first was the period of curative social policy
6 through private charity and public poor relief.
7 The second was the period of social insurance,
8 broad in scope but yet merely symptomatic. The
9 third may be called a period of protective and
10 cooperative social policy."

11 The people of the Territories
12 have already had the first two stages imposed upon them.
13 The climate suggests the need to prevent further ills
14 through protection and cooperation.

15 So it is my prediction that we
16 do intend native communities to survive and that they will
17 be allowed the political means of survival which will
18 enable them to control the development of their own
19 communities and to perpetuate the qualities of their own
20 culture and to participate in northern development and to
21 be the benefactors of the social and economic returns
22 from major resource developments.

23 In order for this to happen,
24 two significant actions are required. Firstly, if
25 there is a development of an energy corridor up the
26 Mackenzie River Valley, it should follow upon, not
27 precede, the resolution of the political and constitutional
28 questions raised by land claims. The arrangements for it
29 will then be negotiated with the indigenous people.
30 Secondly, the political future of the people of the

H. C. McDiarmid
In Chief

1 Mackenzie Delta and Mackenzie River Valley will not be
2 subordinated to the economic interests of the rest of
3 Canada, however pressing these interests may be.
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H.C. McDiarmid
In Chief

1 I think it foolish and
2 irresponsible for us to assume that an obsession with
3 economic considerations and the energy requirements of
4 other places will not lead to the moral, social, and
5 economic suicide of the indigenous people.

6 David E. Woodsworth, in a
7 keynote address to the 1971 Ottawa Forum on Social
8 Policies,

9 "Social Policies for Tomorrow,"
10 expressed the opinion that public social policy is
11 completely dominated by economic concepts, leading to
12 moral and social, if not economic bankruptcy, which
13 effectively becomes the loss of the ability of the
14 people to determine their social, economic and political
15 future.

16 In this regard, Woodsworth
17 stated:

18 "It is time to suggest alternatives. My alternative
19 has been expressed in the Canadian Welfare
20 Council's Social Policies for Canada, in the word
21 'community'. I have taken seriously their
22 statement

23 'a concern for the dignity of the individual
24 requires acceptance of the concept of
25 community, which means recognition of the
26 interdependence of all people within society.
27 The most beneficial social policies and pro-
28 grams, governmental and non-governmental,
29 will result when those affected participate
30 in the planning, decision-making, and

H.C. McDiarmid
In Chief

1 implementation.'

2 Needless to say, those in the
3 Northwest Territories who are affected the most
4 by the decisions of government and the activities
5 of the profit-motivated corporations have not
6 had the opportunity to participate in the planning,
7 decision-making, or implementation, and their
8 effective continuing participation in northern
9 society requires that they do.

10 In 1928 Nansen, the
11 writer of the preface to Diamond Jennesses,

12 'The people of the Twilight',"

13 which is Diamond Jennesses documentary of his experiences
14 with the Eskimos of the Coronation Gulf region,

15 "Nansen wrote,

16 'The greedy white men wish to get hold of
17 their furs; but what do we give them instead?
18 Our products, some of which are of very
19 doubtful value to them, indeed, and then our
20 ghastly insidious diseases, and often our
21 bad customs and morals....but these people
22 live in a land that will be of no value to
23 us without them.'"

24 THE COMMISSIONER: Thank you,
25 Mr. McDiarmid.

26 MR. GOUDGE: Sir, we could
27 adjourn for lunch, and come back at 2:15.

28 THE COMMISSIONER: Right.
29 Come back when?

30 MR. GOUDGE: 2:15.

H.C. McDiarmid
In Chief

1 THE COMMISSIONER: All right,
2 we'll adjourn to 2:15. Perhaps you'd return then and
3 if there's any questions you can answer them then.

4 (QUALIFICATIONS & EVIDENCE OF H.C. McDIARMID
5 MARKED EXHIBIT 689)

6 (PROCEEDINGS ADJOURNED TO 2:15 P.M.)
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H.C. McDiarmid
Cross-Exam by Sigler

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. ROLAND: Mr. Sigler?

CROSS-EXAMINATION BY MR. SIGLER:

Q Mr. McDiarmid, first of all, I'd just like to know, you're not giving evidence on behalf of COPE as was mentioned by Mr. Bayle at the introduction of you taking the stand. You're not also -- it's purely your personal views you're giving here today?

A Yes. I think there's some confusion about this point in that initially I was approached by COPE to give evidence on a panel that they wished to present and I felt for various reasons and various obvious reasons that I was, you know, deeply complemented by the invitation but felt that it must be declined for two reasons. One is that my concern is very general and I didn't want my concerns to become identified with a particular interest group and secondly, because I am a Territorial public servant and I'm very conscious of, you know, the implications there and thirdly because I felt as an individual and in relation to the nature of the experience that I've been privileged to have over the last six years that I would like to prepare something personally and present it based upon that experience.

Now, I wrote to the Commission counsel in March, I believe, explaining this essentially making reference in that letter to COPE's invitation and my desire to decline, but at the same time expressing

1 willing to appear as a private citizen and receive
2 an acknowledgement and then I submitted my evidence to
3 the Commission Counsel by registered mail on the 5th of
4 August, I think it was. I think the confusion came

5 at the same time because of previous conversations
6 with Mr. Bayly I did present Mr. Bayly with a copy of
7 the brief, at the same time and I understand that Mr. Bayly
8 did then, for purposes of facilitating distribution,
9 knowing that the Commission Inquiry -- or that the
10 Commission office was closed, I believe, that week, that
11 to facilitate distribution, he proceeded to distribute
12 it. As far as I'm concerned, I appreciate COPE having
13 made the request. I appreciate conversations I've had
14 with some of their people over the past several months,
15 but for my own perspective, I am appearing as a private
16 individual.

17 Q So, the opinions that
18 you present in your paper are your own personal opinions
19 and not those of your department?

20 A They are my own personal
21 opinions, based upon my experience as a social worker
22 in the Territories for the last six years, initially
23 in the area of social practice and since January of
24 1973 in the area of societal practice.

25 Q They are not the opinions,
26 necessarily of the Department of Local Government?

27 A Not necessarily, no, no.
28 I am not representing the opinions or the interests
29 of the Department of Local Government, although, naturally
30

H.C. McDiarmid
Cross-Exam by Sigler

1 my superiors are aware of my presence and they have, in
2 fact, read my submission.

3 Q Now, you're also -- your
4 background involvement with the church and on page two
5 you comment on the concern expressed by Deputy Commissioner
6 Parker on May 28, 1976 that the organized churches were
7 presenting views that their northern congregations
8 would not support. Do you share that view that Mr.
9 Parker raised, or what is your view on that?

10 A I think the other point
11 that I should clarify is that I'm quite aware that both
12 my national church and the United Church of Canada and
13 the Canadian Council of Churches and various committees
14 of religious bodies have been significantly involved in
15 matters pertaining to northern development. I have not
16 been a part of those processes either. I think in
17 terms of your question directly, no I do not agree with
18 Mr. Parker's statement and as an adherent of the
19 Yellowknife congregation of the United Church, I would
20 feel that that expression was not expressing my view.

21 THE COMMISSIONER: I'm sorry,
22 Mr. Parker said what? This is page two?

23 MR. SIGLER: Yes sir.

24 THE COMMISSIONER: Sorry.

25 A I should perhaps qualify that
26 a step further. I do agree with the point that -- I
27 look upon my position and experience as representing
28 middle ground, so in that respect I do, in a sense,
29 acknowledge that particular statement that Mr. Parker
30 made.

H. C. McDiarmid
Cross-Exam by Sigler

1 MR. SIGLER: I wondered what
2 the significance was as to why you made a point of
3 mentioning Mr. Parker's concern that he stated -- what
4 well you made a point of mentioning that.

5 A I think because I had
6 dual identity. I do have an identity with the church.
7 In that sense, I made reference to it.

8 THE COMMISSIONER: Is there
9 a spokesman for the United Church north of 60? I
10 remember when the moderator I think
11 of the United Church appeared in Ottawa before the
12 Inquiry and I think the Primate of all Canada appeared
13 as well and an Archbishop of the Catholic Church and
14 I read later that the Bishop who represents the people
15 in this area of the Catholic Church disagreed with the
16 position taken by the bishops of Canada. But is there
17 any similar figure representing the United Church north
18 of 60?

19 A No. There is one United
20 Church congregation here in Yellowknife Mr. Commissioner.

21 Q That would be the only
22 United Church congregation.

23 A That's the only United
24 Church congregation north of 60. There was previously
25 a congregation in Hay River but it has since amalgamated
26 with the Anglican congregation. The congregation in
27 Yellowknife is under the Alberta Conference of the
28 United Church of Canada. So the spokesman -- the
29 conference spokesman for this congregation would be
30 president of the Alberta Conference.

H. C. McDiarmid
Cross-Exam by Sigler

1 MR. SIGLER: On page three
2 of your prepared evidence Mr. McDiarmid you mention
3 at the top of the page -- you state that the Territorial
4 Council and the Territorial Government administration
5 are purported to support the concept of one potential
6 province with one potential legislature and government.
7 By who is this purported?

8 A There is a political
9 development paper tabled at the fall session of
10 Territorial Council. I used "purported" because that
11 political development paper was not passed by that
12 Council. It was tabled considered and if I remember
13 correctly, deferred. But it, in effect was directed
14 towards working towards the establishment of one
15 potential province in the Northwest Territories with one
16 potential legislature. I think that is in effect
17 my reference.

18 Q But you are aware that
19 for example, the Territorial Council is meeting again
20 this week in caucus to discuss the whole issue further
21 to formulate --

22 A The Territorial Council
23 is meeting this week?

24 Q Yes.

25 A No, I am not aware that
26 the -- I know that there is a formal session of Council
27 called for October but I am not aware of the Territorial
28 Council being in session this week.

29 THE COMMISSIONER: Well if it
30 isn't in session, the members of it apparently have

1 gotten together. Now, they won't be able to pass any
2 laws presumably because they haven't been summoned by
3 the Commissioner or whatever the legal formalities
4 are. But they are there no doubt discussing the matter.

5 But you are not aware that the
6 Council itself has taken a stand on that very issue?

7 A Not a formal stand, no.
8 No sir.

9 MR. SIGLER: Now, still on
10 page three, you mention the suggestion that the Dene
11 are withdrawing their support for Territorial Council
12 and you cited as examples the resignations from Council.
13 As well, you cite a possible effort to boycott the
14 by-election for the Mackenzie-Great Bear riding.

15 Are you aware that there was
16 in fact a concentrated effort to boycott Territorial
17 Council by whoever you are referring to there.
18 I take it you are referring to the native organizations.

19 A I am referring to a press
20 release that I believe was made by George Erasmus
21 the president -- present president of the Indian
22 Brotherhood and the press release as it was broadcast
23 over the CBC Northern Service or through the Yellowknife
24 station was that there apparently had been some
25 intention to boycott the election -- the by-election
26 that was held in the Great Slave constituency to replace
27 Mr. James Wah-Shee who had resigned from that as the
28 member of that constituency.

29 Q Well the inference I
30 almost get from reading your paper at this point is that

H. C. McDiarmid
Cross-Exam by Sigler

there is a concentrated effort ^{to boycott} by way of resigning from Council and also then to boycott the election have nothing to do with the Territorial Council altogether. Is that in fact the case? Is that what the Dene are doing?

A This was the inference I
This is what I have sensed

A I would say that it's a terrible

H.C. McDiarmid
Cross-Exam by Sigler

1 withdrawal, seeing in effect that the Territorial
2 Council is ^{as} the Settlement Council model, just that, a
3 model for political development along evolutionary
4 lines with which will become established institutions
5 that are representative of the needs and aspirations
6 of the people who they then are.

7 Q And has your department,
8 the Department of Local Government had any involvement
9 in any of these boycott movements or reactions to
10 them?

11 A No, as a department
12 we focus on the development of local government as out-
13 lined in the municipal model, and as a department in
14 terms of being involved in the program of political
15 development, our activities in the field have not gone
16 beyond the regional level.

17 Q Now, turning to your model
18 that you've presented in your evidence, specifically the
19 period 1974 to 1976, I'd like you to give more examples,
20 if you could, of what categorized those years
21 as years of conflict?

22 A Could you be more specific,
23 please?

24 Q Well, you've categorized
25 the years 1974 to 1976 as years of conflict, as opposed
26 to years of development or years of resolution or other
27 adjectives that you'd use to categorize other years,
28 either past or future years. What are the actions that
29 have been taken in these last two years that have led
30 you to categorize those years as years of conflict?

H.C. McDiarmid
Cross-Exam by Sigler

1 A I think one is that I've
2 sensed --

3 Q For example, you categorized
4 the Berger Inquiry as an example of the conflict. Why
5 do you call it conflict as opposed to resolution or
6 participation or organization, or whatever? Why do you
7 categorize it as conflict?

8 A It's a significant event
9 during this period of conflict. I also identified the
10 philosophy paper that Mr. Hamelin had initiated, and
11 I also identified the land claims proposal. But I
12 think that these three events in effect, among others
13 too, identify the need to resolve the differences that
14 are obviously there, the differences of opinion in
15 terms of who is responsible for whose well-being,
16 the differences that are there in what is the concept
17 of self-determination and how can it become practiced
18 in the Northwest Territories? The question of to
19 what extent can people become self-determining -- maybe
20 I'm repeating myself but in one sense it's concept, but
21 in the practical sense it's the individual's right to
22 exercise personal freedom and a racial group's right
23 to exercise a sense of racial freedom.

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H.C. McDiarmid
Cross-Exam by Sigler

1 Q What's the conflict?
2 Maybe I'll approach it another way. What's the conflict
3 that you're referring to? Who are the parties to the
4 conflict that you see in these years of conflict?
5 Is it a government, indigenous people conflict or --

6 A I think it's a conflict
7 resulting from a sudden imposition of a lot of pieces
8 and a lot of experiences from other places that people
9 find very difficult to cope with and in order to adapt
10 to the, you know, new society that's developing in
11 the north there naturally is a period of conflict because
12 in every situation of social change conflict is very
13 often the key element. I don't think the conflict is
14 bad, I think I'm identifying the conflict as
15 a significant piece of a developmental process, really.
16 As opposed to you and I picking a fight with each other
17 for whatever reason we may wish to pick a fight with
18 each other.

19 Q So, you really mean,
20 as issues coming to a head?

21 A Issues coming to a head
22 relating to social change, and social and economic and
23 political development.

24 Q Okay, now what about the
25 process that -- you've you've used the words to describe
26 the process that's taken place in the last couple of
27 years as one of control and manipulation on defensive
28 principles.

29 A M-hm.

30 Q What leads you to make

H.C. McDiarmid
Cross-Exam by Sigler

1
2 that conclusion? What specific things that have happened
3 in the Northwest Territories in the years '74 to '76
4 have led you to conclude the process as being one of
5 control and manipulation on defensive principles?

6 A I suppose I could perhaps
7 say three things. The first thing being that, you know,
8 to what extent are indigenous people involved in
9 decision making processes that result in things happening
10 around them and within their communities over which
11 they have no control? I think perhaps the regional
12 planning example in the delta would be a good one, in
13 the sense that communities were invited to participate
14 in terms that they were not involved in defining and a
15 conflict developed and rather than spend a lot of time
16 and a lot of effort working through that conflict, it
17 was decided that there was a predetermined agenda that
18 must be followed and a certain degree of planning had
19 to be done and therefore the planning continues even
20 though a conflict about the concept and its purpose
21 had obviously developed.

22 Q But, in using that to
23 make the general conclusion you have, aren't you
24 denying the role, say, that the native organizations
25 and the importance that they've taken in the whole
26 process in the years subsequent to 1973? Surely you're
27 not referring to control and manipulation when you look
28 at their involvement in the whole process in the last
29 couple of years?

30 A I suppose control and

1
2 manipulation only insofar as it represents a polarization
3 and that perhaps, you know, the process is a two-sided
4 process, control, manipulation, playing games back and
5 forth, rather than coming to grips with the issue and
6 working it through in a systematic, orderly way, which
7 must come through the next period of the process,
8 negotiation.

9 Q Now, government attitude,
10 you've described what they were doing in spite of for
11 the period 1974 to 1976 and while you cite the examples
12 say, of the regional meetings that
13 didn't work out, how does things like say, this Inquiry
14 or other activities that the government has taken on to
15 make sure that there isn't involvement by the native
16 organizations, whether it's this Inquiry or alcohol,
17 drug programmes or whatever. Then how does that fit
18 into your model?

19 A I think I explained at
20 the outset, before I presented the model that obviously
21 the pieces overlap and I was identifying dominant charac-
22 teristics as I perceived them and experienced them and
23 to me, doing in spite of, is perhaps making decisions
24 and carrying out programmes without, you know, the
25 significant involvement of people and I think I identified
26 regional planning as an example.

27 Q So you -- so as far
28 as your comments about overlap, you're saying then that
29 we may well be getting into the next period?

30 A Hopefully so. Yes. I think

H.C. McDiarmid
Cross-Exam by Sigler

1 that it is significant that--

2 Q And that's how some of these
3 other things would fit into your model.

4 A -- this is August of
5 1976 and I foresee the end of this particular period
6 of conflict, you know, it's becoming less significant
7 within the next few months as matters move into a period
8 of negotiation.

9 Q I take it you'd admit
10 that it's in fact, quite difficult to draw lines
11 anywhere and to fit everything that's going on in the
12 Territories into a nice model?

13 A I think
14 I acknowledged that in introducing the model.

15 THE COMMISSIONER: We tried
16 to do it by dividing this Inquiry into phases.
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H.C. McDiarmid
Cross-Exam by Sigler

MR. SIGLER: Q At page 7 you take a couple of quotes from the Carrothers Commission Report that was published in 1966. The first quote that you mentioned refers to every citizen of Canada having a claim to participate in the institution of government, and it goes on to adopting this participation in government by Canadians in the Northwest Territories to the extent that Canadians resident elsewhere in Canada are able to participate in their Provincial Governments. Do you personally ascribe to that philosophy?

A Yes, I do.

Q Well, I was going to ask for your views on how the 10-year residence requirement in the Nunavut land claim and that you mentioned as well by the other native organizations would fit into this principle.

A Well, I think that when this principle was cited, it was recognized that the percentage of non-indigenous population in the Territories at that time was considerably less than what it is now, and I think that at the time that the Carrothers Commission held its hearings through the north and developed its report that at that point in time they knew that somewhere in the future there would be some economic development, but certainly not on the scale on which it has come over the last five or six years. I think that in terms of my own personal feeling, I identified my position on the second page where I identified myself really as a southerner.

1 Although I have lived in the Territories since June
2 of 1968, I do not feel that I qualify for citizenship
3 in the same sense that I qualify for citizenship in
4 British Columbia. I think that it's something that I
5 have to earn, and to me ten years is a reasonable
6 figure because in terms of my position in the north
7 I am still a transient, even though my children have
8 received much of their schooling here, etc. I think
9 that my attitude and feeling about the north is such
10 that I would feel it necessary to live here for ten
11 years before I would qualify as a citizen.

12 Q So you do not ascribe
13 to the Carrothers Commission Report insofar as its
14 recommendations are to enable all people living in the
15 Territories to participate in the government?

16 A I think I am putting an
17 interpretation on it which says in effect it's referring
18 to the people that were living here then and its
19 focus was on those people, primarily the indigenous
20 people.

21 Q And is that the view
22 of the department of local government as well?

23 A I couldn't answer that,
24 I'm sorry, because I don't know whether the department
25 of local government has expressed a view on this point.

26 Q But your personal view
27 is that the ten-year residency requirement is a valid
28 one?

29 A Yes, it is.

30 THE COMMISSIONER: Well, let

H.C. McDiarmid
Cross-Exam by Sigler

us be clear about this, Mr. McDiarmid. In Professor Carrothers' Report he said that,

"It is a goal of political development within the Northwest Territories that Canadian citizens resident of the Territories should participate in government as fully as Canadian citizens resident in the provinces."

Now, assuming that those are Professor Carrothers' views, they certainly are inconsistent with the ten-year residency clause. No doubt a ten-year residency clause was never suggested to Professor Carrothers and the members of his Commission, so they didn't pass upon it. Rather they expressed the view that I am sure was the view that prevailed throughout Canada and throughout the Territories at the time by those who articulated any view on the subject, and that is that in due course the Northwest Territories should become a province like the others, and there is no ten-year residency provision in any province in Canada, and what the native organizations are urging here in the Territories is something that does not appear to have been within the purview of the Carrothers Commission. It simply wasn't brought before them and they didn't pass upon it. So I think you're stretching a point when you suggest that the Carrothers Report can be interpreted in the way that is consistent with a proposal that has really come to light in recent times. I can understand the reason for that proposal. The native people have made it clear to me that white people who come here should demonstrate that they

H.C. McDiarmid
Cross-Exam by Sigler

1 have a commitment to life in the north. They say,
2 "What better way of demonstrating that commitment than
3 remaining here for ten years?"

4 I can understand that, and
5 I understand why they put that forward; but it is
6 certainly something that you will not find in the
7 provinces of Canada.

8 A No, I realize that.
9 Yes.

10 MR. SIGLER: Q Now on page 10
11 mainly you comment on the attempts that were made to
12 develop regional meetings or regional councils and
13 sort of hinted that when they started to become
14 successful in terms of bringing out recommendations
15 that the government reacted adversely to them. First
16 of all with regards to that, when you say "the
17 government" you're including the department of
18 local government, meaning the Territorial Government.
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H. C. McDiarmid
Cross-Exam by Sigler

1 I wonder if you have anything
2 that would be able to base that kind of an
3 opinion on anything other than you own observations or
4 anything? Was there any government document--

5 A I think at that time
6 I was --

7 Q -- about that policy?

8 A At that time, I was the
9 regional superintendent of Local Government at Inuvik.
10 We did receive a directive to the effect that as a
11 department we were to in fact bring Council conferences
12 under more rigid control so that the agendas were
13 clearly defined, the issues around
14 which discussions were centered were clearly identified
15 and that some measure of control was brought to bear
16 upon the content and the process of such conferences.

17 Q So there were definite
18 instructions from say Yellowknife or somewhere.

19 A Yes.

20 Q -- instructing you to
21 stop the input from such things as regional conferences?

22 A Not so much to stop the
23 input but to control the manner in which they were
24 organized and conducted and the kinds of issues that
25 the discussion would center around. I think that
26 Council conferences at that time became defined as an
27 opportunity for government agencies to inform representa-
28 tives from various councils as to what is planned for
29 them and their communities as opposed to discussing the
30 issues and concerns from the people's perspective and

1 trying to resolve them as realistically as possible.

7 A Well the larger municipali-
8 ties are incorporated municipalities and while they
9 are governed by the Municipal Ordinance. At the same
0 time, I think that they are recognized as being
1 constituted as an elected body of the community. So
2 -- but settlement councils are not -- Settlement councils
3 are not legally constituted bodies. They function in
4 an advisory capacity in that they are ^{not} incorporated under
5 the Municipal Ordinance.

A Unincorporated communities
and the members of councils gathering together for
regional kinds of conferences to discuss matters of
mutual concern.

29 Q How can that program be
30 consistent then with the program of thwarting any real

H. C. McDiarmid
Cross-Exam by Sigler

1 input from the local councils? Isn't that inconsistent
2 with the policy with the reaction that you say was there?

3 A It seems to be.
4 Yes.

5 Q Because once they became
6 incorporated as a municipality, the council would have
7 some entity of its own apart from the government.

8 A Yes.

9 Q How does the Department
10 of Local Government decide which communities it is
11 going to convert into an incorporated municipality?
12 Do they wait until they are asked by a settlement or
13 do they impose it on a settlement?

14 A Usually the settlement
15 takes the initiative. The Department of Local
16 Government has a criteria which it utilizes to go in
17 and see whether or not the settlement is ready for the
18 first level of incorporation which is hamlet status.
19 It is based on a two-fold criteria, the first one being
20 administrative competence. The other is being the
21 level of community and citizen participation in that
22 local government process. I think that it should also
23 be noted that while the number of hamlets in
24 the Northwest Territories increased during this last
25 year from nine to 14 -- or nine to 13 -- none of these
26 hamlets were new hamlets were created in the west.
27 They were in the central and the eastern Arctic.

28 Q Would that be because the
29 communities in the west did not request that?

30 A That's right.

H. C. McDiarmid
Cross-Exam by Sigler

1 Q So it's not a practice
2 of your department to impose that structure on a
3 community if it doesn't want it?

4 A Not during the period
5 of my experience with the Department. No.

6 Q What I am getting to
7 is on page -- what you stated at the
8 bottom of page 12 of your evidence. You state that:

9 "In this regard to the directions provided by the
10 philosophy paper, the thrust of the Department of
11 Local Government has been to develop competent
12 tax based municipal structures and administrations.

13 The implication I got from
14 reading your evidence was that the Department's main
15 priority was to impose these kind of structures on
16 communities. But you now stated to me that this in
17 fact was not the practice to impose these structures
18 on communities that don't want it?

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H.C. McDiarmid
Cross-Exam by Sigler

1 A I think what I'm saying
2 is twofold. One is that initially the municipal model
3 was used for the purposes of political development, and
4 subsequently the municipal model has become used to
5 develop competent community administrations, and so
6 the model has become the end in itself, playing down
7 its purpose as a tool for political development and
8 playing up its purpose as a tool for municipal develop-
9 ment.

10 Q I take it you'd share the
11 opinion that a community should be able to choose its
12 own model of government for its local government, in
13 other words that the municipal model should only be
14 adopted in communities that want that form of govern-
15 ment?

16 A I think one of the
17 difficulties recognized in the west is the fact that
18 in many communities there are both Settlement Councils
19 and Band Councils, and in some respects they work, in
20 some areas they do work in a complementary relationship
21 to each other, such as Fort Franklin, where for the
22 past -- and it's a Hamlet Council -- but for the past
23 few years the chief of the Band Council has been the
24 chairman of the Hamlet Council and several of the
25 Band Councillors have been members of the Hamlet Council.
26 In a place like Fort Norman, it was sort of identified
27 as to what responsibilities the Settlement Council
28 would have, and what responsibilities the Band Council
29 would have, and the chief of the Band Council was
30 automatically made a member of the Settlement Council.

H.C. McDiarmid
Cross-Exam by Sigler

1 I think in Arctic Red River
2 where the community did not wish to establish a Settle-
3 ment Council but recognized that there were certain
4 additional community purposes that should be assumed
5 that were not being assumed, and so the functions of
6 the Band Council were extended to include some of the
7 responsibilities that a Settlement Council would
8 normally assume. So that there are variations on
9 the theme, and I think that this is one of the reasons
10 why in the west there's difficulty in moving towards
11 incorporated hamlet status because some would perceive
12 that, even though it's happened in Fort Franklin, but
13 some would perceive that as making the Settlement
14 Council the focal point and underplaying the dynamics
15 and importance in the community of a Band Council.

16 So the ways, various ways
17 are being attempted to get the two melted together.
18 But it's something that the community has to work with;
19 it's not something that can be superimposed.

20 Q In that sense, ^{it's} in keeping
21 with the philosophy of the paper that you're referring
22 to on page 12, isn't it?

23 A I think I'm saying
24 what's happening. I'm not saying that the Territorial
25 or department of local government you know, sees it
26 as a problem, but not as a problem that it's able to
27 work through in a significant way, and so the focus
28 is on the development of the municipal model of local
29 government.

30 Q And what is in fact

H.C. McDiarmid
Cross-Exam by Sigler

1 is happening is happening in spite of the department
2 of local government.

3 A Yes.

4 Q On page 13 you quote
5 the final line of the Dene Declaration. I take it
6 you adopt that principle as your own?

7 A I beg your pardon?

8 Q You agree with the
9 principle that you quoted from the Dene Declaration?

10 A I believe within the
11 concept of independence and self-determination within
12 the country of Canada.

13 Q And that you're including
14 all northerners in the sense of northerners that were
15 in the north for more than ten years when you
16 ascribe to that philosophy?

17 A I would say that out of
18 a sense of independence there does develop a sense of
19 inter-dependence as part of a process. So that I
20 refer to an inter-dependent society, not a segregated
21 society.

22 Q I take it once again
23 this isn't the philosophy of your department necessarily.

24 A No, not necessarily.

25 THE COMMISSIONER: Your
26 department hasn't endorsed the Dene Declaration.

27 A No, the department
28 hasn't endorsed the Dene Declaration, no sir.

29 MR. SIGLER: Q There may in
30

H.C. McDiarmid
Cross-Exam by Sigler

1 fact be those in your department who would be surprised
2 to hear that you have, I suppose.

3 THE COMMISSIONER: To be
4 fair to Mr. McDiarmid, he only adopted the concept
5 of self-determination enunciated in the concluding
6 paragraph of the Declaration.

7 MR. SIGLER: Q Mr. McDiarmid,
8 to get away from -- I'm not quoting from your paper
9 but I think in some of the concepts that you've raised
10 if you were going to recommend a blueprint for the
11 growth of local government within say the Mackenzie
12 Valley area in the communities, what kind of a blueprint
13 would you want the department of local government to
14 be following because I think you stopped short of that
15 in your paper. You've been quite critical, I think,
16 of what the department has been doing, but you haven't
17 projected ahead what kind of a course or philosophy you
18 feel the department should be doing. What is its
19 proper role in your opinion?
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2 A I think the will of
3 the department has been to develop political awareness
4 towards a sense^{of} political consciousness, out of which
5 people can regain control of their environment. I think
6 for me to design personally a blueprint of what I'd
7 like to see would be very unfair because it would con-
8 tradict^{essentially} what I'm saying in the paper, that
9 consultation negotiation, and working out together is
10 very important and essential elements as far as I'm
11 concerned.

12 Q On a community by
13 community level rather than one model for the entire
14 -- for all the communities.

15 A Exactly, exactly, m-hm.
16 And then, out of this would evolve a regional form of
17 government and then out of this would evolve a Territorial
18 form of government, but it is in a sense, going back to
19 my understanding of the principle Dr. Hamelin enunciated.
20 The importance of government growing up from the bottom
21 in the Territories as opposed to coming down from the
22 top.

23 MR. SIGLER: Those are all
24 the questions I have sir.

25 MR. ROLAND: I understand
26 Mrs. MacQuarrie does not have any questions. Mr. Steeves?

27 MR. STEEVES: I have no
28 questions.

29 MR. ROLAND: Mr. Hollingworth

30 MR. HOLLINGWORTH: I have

H.C. McDiarmid

1 questions.

2
3 MR. ROLAND: And I don't have
4 any questions either.

5 THE COMMISSIONER: Any re-
6 examination, Mr. Bayly, assuming it's appropriate for
7 you to do so?

8 MR. BAYLY: No, I've been
9 told I couldn't cross-examine so I won't re-examine
10 either.

11 THE COMMISSIONER: Well,
12 thank you very much Mr. McDiarmid, we appreciate your
13 taking the trouble to prepare this submission and to
14 come here to present it. It's been very, very interesting.

15 WITNESS MCDIARMID: Thank you
16 sir.

17 THE COMMISSIONER: Thank you,
18 sir.

19 (WITNESS ASIDE)

20 MR. BAYLY: Mr. Commissioner,
21 do you wish to break now for coffee or do you wish to
22 begin the evidence of Messrs. Dittrich and Kylo?

23 THE COMMISSIONER: How long
24 will their evidence in chief be?

25 MR. BAYLY: I suspect we'll
26 finish quite comfortably this afternoon, sir.

27 THE COMMISSIONER: Oh, well
28 let's take our break now then.

29 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
30

Dittrich, Kylo
In Chief

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

DOUGLAS DITTRICH, sworn

LEO KYLLO, sworn:

DIRECT EXAMINATION BY MR. BAYLY:

Q Before we give the evidence of the members of this panel, I wonder Mr. Dittrich if you would go to the first page of your evidence and you have prepared curriculum vitae in the form of a narrative and if you would read that into the record please?

WITNESS DITTRICH: My name is Doug Dittrich. I am an Anglican priest and live in Kamloops, British Columbia where, since January 1, 1976 I have been rector of St. George's Church.

I have a B.A. from the University of Toronto. I am a graduate in theology from Wycliffe College, Toronto. I lived in the Northwest Territories continuously from June, 1962 until the end of December 1975. I made my first trips into the Territories in the years 1953 and 1954. In addition to my duties with the Anglican Church of Canada (Frobisher Bay 1962-1967; Inuvik 1967-1973) I took an active part in community affairs and matters concerning cultural development, particularly in relation to native residents.

Until December 31, 1975 I served as secretary/co-ordinator of the Northern Games Association from its inception in 1970 and as secretary of the Inuvik Native Friendship Center from its conception in 1971. For over two years, from October 1973 until December 1975, I was on a leave of absence from the

Dittrich, Kylo
In Chief

1 Church, working full-time on these two projects in
2 association with the Committee for Original People's
3 Entitlement.

4 I have an ongoing interest in
5 northern native, environmental and political affairs.

6 Q I wonder if we could
7 turn to you now Mr. Kylo and at the back of the
8 prepared evidence you have submitted, there is a resume
9 of your education and experience. I wonder if you
10 would go through that, highlighting the things which
11 are relevant to your evidence that you are going to
12 give today?

13 WITNESS KYLLO: Certainly.
14 I was raised in Canada's first oil town, Turner
15 Valley, Alberta and have had an ongoing contact with
16 the oil industry from that time. I have been heavily
17 involved in community affairs throughout my life,
18 especially in the sport, recreation and community
19 development aspects.

20 Within my lifetime experiences,
21 I have had a good deal of contact with native people,
22 especially from the recreational standpoint. I have
23 also been very active in outdoor recreation and environ-
24 mental development.

25 My education has been gained
26 through my early years in the Turner Valley district.
27 My high school education was at the Turner Valley
28 high school.

29 I have a B.A. in recreation
30 administration from the University of Alberta and a

Dittrich, Kyllo
In Chief

1 Masters from the University of Waterloo in regional
2 planning and resource development. Within both of
3 these programs, the major area of study has been in
4 recreational planning, community planning and sociology
5 with a large community development and community involve-
6 ment aspect thrown in.

7 In 1960-61, I was employed
8 for a period of about eight months with a survey
9 company -- or a seismic company. Pardon me. It was
10 operating in northern British Columbia and Alberta.

11 In 1962-63 I was employed as
12 a laboratory technician in a gas plant in Turner Valley.

13 From 1963-1968, I was employed
14 as a field technician by the Oil and Gas Conservation
15 Board, now the Energy Resources Conservation Board in
16 Alberta. This aspect of employment brought me in contact
17 with all phases of the oil industry under a supervisory
18 capacity.

19 During a couple of years during
20 which I was employed by the Oil and Gas Conservation
21 Board, I also operated a trail ride and pack outfit
22 in the Turner Valley area.

23 From 1968-69, I was a gas
24 plant operator in Turner Valley.

25 After 1969, I returned to
26 university.

27 During the summer of 1971, I
28 was the director of a student exchange program operating
29 out of Calgary.

30 1972, I was a Parks and

Dittrich, Kyllo
In Chief

1 recreation planner for a planning consulting firm
2 in Edmonton.

3 During 1973, I had the honor
4 of representing four environmental associations operating
5 in Canada in the Eastern Slope Hearings that were
6 conducted in the province of Alberta.

7 1973-74 I undertook a rather
8 extensive research project on behalf of the Governments
9 of Ontario and Alberta studying Federal and Provincial
10 Leisure Services.

11 During 1974 and 1975 until the
12 summer of 1975, I was employed as the chief of recreation
13 of the Government of the Northwest Territories.

14 From this time last year until
15 presently, I have been employed as a park and recreation
16 planner with a planning and consulting firm in Edmonton.
17 This position has gotten me again into very close
18 contact with communities, assisting them in planning
19 their recreational facilities and their future.
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Kyllo, Dittrich
In Chief

Q Thank you, Mr. Kyllo.

I would ask, Mr. Commissioner,
that these two curriculum vitae and the summaries of
evidence be filed as exhibits.

(QUALIFICATIONS & EVIDENCE OF D. DITTRICH
MARKED EXHIBIT 690)

(QUALIFICATIONS & EVIDENCE OF L. KYLLO MARKED
EXHIBIT 691)

Can we start with you, Mr.
Dittrich, and would you turn to the second page of
your prepared evidence and read it into the record?

WITNESS DITTRICH: Mr. Commis-
sioner, I have been called upon by COPE to speak on the
potential social impact of the proposed Mackenzie Valley
natural gas pipeline, with particular reference to the
cultural and recreational aspects of northern society
and life.

I have made no scientific stud-
ies but I have observed from the point of view of an
intimate association with the local people, the effects
of change and development on the north during the past
14 years.

An individual's language,
culture, skills, values, history and traditions are
all vital aspects of who a person is. If these are
taken away or downgraded, both society and individuals
suffer for it. The onrush of economic and social
change into an area may confer certain benefits, but
it is usually accompanied by processes which tend to
dehumanize rather than enrich the lives of those caught

Kyllo, Dittrich
In Chief

1 in such circumstances.

2 Where the situation is such
3 that individuals are prevented from living creatively,
4 from expressing themselves positively, and from sharing
5 their basic values and interests, the results will
6 inevitably be negative and destructive. There is a
7 great concern that the trends witnessed in recent years
8 in the Canadian north will accelerate radically if all
9 the proposed development is allowed to proceed uncon-
10 trolled. Drastic steps must be taken to provide
11 realistic means and support to facilitate northern
12 native people preserving those facets of life they
13 themselves value, and to ensure that cultural development
14 and creative recreation will become a fact rather than
15 a theory.

16 Economic development and
17 general human well-being and genuine progress can be
18 compatible. Judging by past history, however, a great
19 deal more care, thought, effort and preparation must
20 be taken if tragedy and social malaise are to be
21 avoided or at least minimized.

22 History tends to repeat itself.
23 We have a great habit of failing to learn from our
24 experiences and from our past mistakes. Thus we are
25 prone to making the same errors and falling into the
26 same traps over and over again. I urge you to con-
27 sider what has already occurred as a result of the
28 changes of the past few years and regard them as warn-
29 ing of the hazards and dangers that threaten northern
30 life and northern people in the years ahead.

Kyllo, Ditttrich
In Chief

In reviewing some of the incidents I have observed, and in identifying some of my personal experiences, I am acutely sensitive to potential threats to the lifestyle and welfare of all those people who are likely to be further subjected to rapid development which can very easily become a scourge rather than a benefit if it gets out of control.

My perspective has been that of a Christian minister, as one who moved north to work with the original inhabitants of this land, to share their sorrows as well as their joys.

I trust that my comments will serve to delineate some of the events and policies that have created the social situation that exists in the north today. By sharing my observations, I hope that you will have some material which will be helpful to you, sir, in formulating the recommendations that will be drafted as a result of your Inquiry. .

I shall never forget the day in mid-May 1959 when, having just completed a trip from Toronto, the place I grew up, I stepped off an aircraft at Great Whale River, Northern Quebec, and for the first time encountered a native community. Life was beginning to change for those people, but many of the old ways and customs still prevailed. I value the insights I gained from living and travelling and working with them. The languages and the cultures of the Inuit and Indian continued to survive. Recreation or lack of it was not a problem. There were always many things to do in what we, in non-native society, would call our leisure hours.

For ten days I literally slept on the floor of a native home. I did not object to this. What I did object to was the almost total lack of adequate housing in general throughout the settlement. Tent-frames which were year-round homes during my previous stay were, in many cases, still in use. The millions of dollars spent on a defence project had left only negative effects on the local residents. The only testimony remaining was that of fewer jobs, more addiction to alcohol, and an increased dependency on an alien system of governmental administration. The Co-Op Store provided some outlet for local arts and crafts, but the real problem of human development and a viable lifestyle for the people was not being faced.

The inevitable school complex merely tended to create an unhealthy gulf between the old and the young. For that community, development had come and gone. It is almost unnecessary to offer the comment that the latter state was far worse than the former.

In 1962 I moved to Frobisher Bay, a settlement staggering from the triple knockout punches of radar stations, trans-polar airline flights and the multi-million dollar American strategic air command refueling base built, 1959, closed, 1963. Benefits to Frobisher Bay, in my opinion, nil.

In 1961 the Canadian government had applied the 'coup de grace' and opened a cash and carry liquor outlet. It was my unhappy task, during the five years that followed my arrival to bury many of the unfortunate victims of the tragedy and chaos that resulted from those events. Not until this year, fifteen years and many, many deaths later were the wishes of a majority of the residents heeded and the retail store finally closed down, by the Territorial administration and what was the Government of Canada doing all this time? It most certainly was doing precious little to assist people to adjust to a wage economy. An economy and lifestyle ^{they} had neither asked for nor really wanted, nor understood. Yes, federal policies were extremely

1
2 successful, successful in seducing the people in off
3 their land, successful in initiating the dehumanizing
4 processes that continue to cast a shadow of gloom over
5 the village of Frobisher Bay in 1976.

6 The excitement of the birth
7 of my first child was shared by a people who were them-
8 selves, so frequently subjected to grief and despair
9 because their offspring died in the cold and squalor
10 of their shacktown. But despite all, there remained
11 a general feeling of friendliness and openness and trust
12 towards the newcomer. This condition, by and large,
13 no longer exists today.

14 Little or no encouragement
15 was given to those, who, in 1962 wanted to take positive
16 steps to retain the good aspects of Inuit culture.
17 Those who preferred to continue living on the land were
18 shunned by government and forced, despite their efforts
19 to return to the town, a much more hostile environment
20 for them than the open sea and rolling tundra of South
21 Baffin.

22 A news report this past April
23 14, in the News of the North, Yellowknife, tells of
24 these same people I know, nearly fifteen years later,
25 attempting to carry on the struggle, to maintain their
26 culture. I admire their tenacity. I only hope that
27 positive support is forthcoming. How long must it take?

28 With the rare exceptions, and
29 I recall one or two government teachers who appreciated
30 something of the people's relationship to their land, and

Kyllow, Dittrich

In Chief

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Schools were built and houses were erected and telephones were installed and roads were plowed. Millions and millions of dollars were spent and then millions more. Meanwhile, the frustrated newcomer wondered why nothing seemed to work with these natives for whom he had come thousands of miles to share his expertise and wisdom. How unappreciative they appeared to be of all these 20th century wonders. We have taken your dogs and given you an amazing new snow machine which you only have to feed in winter-time. Marvel of marvels. In retrospect, these were all a part of the thin edge of the wedge that was to bring a people -- a whole people -- to the brink of disaster, humanly and culturally.

The United States Air Force installed their huge gymnasium for their own use and the occasional Tommy Hunter show and to offset any possible positive effects from that recreation area, a bar was built on every floor. This must be the main recreation of the newcomer, concluded the people of the land. This building still stands, presently the student residence at Frobisher Bay. A constant reminder of the sort of values that were thrust upon a beautiful and unsuspecting people.

With the exception of a number of the newcomers who participated in curling, the other chief recreation turned out to be bingo. Very soon bingo was big business and suddenly the game of bingo was drawing off money as it still does, that should have gone to children's clothing, to food, to housing,

Kyllo, Ditttrich
In Chief

and to hunting equipment.

Young native people were now wandering around in a cultural limbo they did not understand. They became trapped in an environment to which they were unable to relate. Parents and grandparents were no longer motivated nor able to teach them the traditional skills of the land. None of the generations was able to adjust to a strange and apparently irrelevant system of education. The curriculum content and the overall orientation of school staff generally missed the basic point of attempting to teach anybody anywhere anything. Start where the people are. Be sensitive to them as human beings. Discover something of their background and philosophy of life. Do not assume you are the one with all the answers and possess the superior lifestyle and have a monopoly on the body of human knowledge. This may seem the obvious approach.

Yet how seldom did we observe evidence of attitudes that truly reflect this kind of thinking? The frustration of the school classroom has had such a negative impact on so many individuals that one sometimes wonders why we bothered at all. If formal learning cannot be a positive and rewarding experience why inflict anyone with the process?

For both ^{young} and many of the older people, the day was no longer occupied in carrying out the many tasks and chores of a hunting economy. Life consisted either of meaningless projects which the newcomer thought of importance or of sitting it out

Kyllo, Dittrich
In Chief

1 until something somewhere happened and when it did,
2 the catalyst was usually the bottle.

3 Those who know Frobisher Bay
4 are familiar with the nearby Sylvia Grinnell River.
5 Many of us know how, by stupidity and indifference and
6 carelessness, huge garbage dumps and disposal areas for
7 everything from honey bucket contents to large construc-
8 tion equipment were allowed to grow right next to its
9 mouth. One of the potentially excellent recreation
10 areas close to town -- polluted, ravaged and abused.
11 The government sponsored fishing cooperative together
12 with uncontrolled private fishing by transients, in a
13 very few years, rapidly depleted that river of its
14 historic magnificent run of the Arctic char.

15 Years went by and no attempts
16 were made the authorities to consult the people in any
17 meaningful way on community development. One evening in
18 1965, Bryan Pearson, now Territorial councillor and I
19 stood watching the smouldering remains of a local house
20 which had just burned to the ground because of a lack
21 of adequate fire protection equipment and trained
22 fire fighters. Then and there we determined that
23 Frobisher Bay must have an elected representative
24 council and that the people who lived there must have
25 a real say in their affairs and begin setting their own
26 priorities.

27 Over a decade has passed. Pro-
28 gress has been extremely slow. For a very long time,
29 any kind of useful support from government was negligible.
30 People became discouraged time and time again because

Kyllo, Ditttrich
In Chief

1 the decision making process always it seemed occurred
2 a long, long way from them. Money was available to
3 subsidize the fantastic infrastructure to maintain
4 and coddle the transient community. Money was not
5 available to provide positive programs to assist people
6 to develop creative skills related to their own
7 culture and lifestyle. Significant funding was rarely
8 designated for adult education and recreation facilities.
9 All this was the state of things at a time of unprece-
10 dented crisis for the people.

11 The Government Rehabilitation
12 Center was inhabited by disoriented and handicapped
13 people from many Baffin region communities. The
14 majority were soon so dependent upon the Center that
15 rehabilitation became rehabilitation simply to exist in
16 that place indefinitely -- caught in an institution
17 from which there was no escape. It became a breeding
18 ground for every social ill imaginable. I know; I
19 lived next door.

20 Leisure time in the Arctic was
21 now a fact of life. Yet programs for those adults and
22 young people consisted primarily of the showing of Grade
23 B or was it Grade C, movies in the community hall. The
24 hall was donated by the I.O.D.E. but no one every gave
25 the people much direction as to how they could tap its
26 potential. The values of Hollywood became ingrained in
27 a people who were never given the opportunity to be
28 exposed to anything else. We live with the results
29 today.
30

Kyllo, Dittrich
In Chief

1 Here I add one of my inserts,
2 which I do from time to time.

3 One activity which occupies
4 great deal of leisure time today in most northern
5 settlements is television viewing. Grad ually most
6 communities are being provided with satellite coverage
7 from the C.B.C. southern network. The first receiving
8 facilities were inaugurated in early 1973, I believe
9 it was. As early as the summer of 1969, transmitters
10 were set up and television became available on a
11 delayed basis in certain localities. What an opportunity
12 there existed to use its initial impact on a relatively
13 captive audience in a creative and positive way.
14 But what use were people able to make of this new
15 medium? There was no opportunity to utilize the newly
16 installed equipment for local programming. Educational
17 presentations were rare commodities indeed. Someone
18 in the south was deciding which four hours of material
19 northerners were going to be able to see each day.
20 Is it any wonder that children can sometimes relate
21 better to Cannon type crime incidents than to their
22 own family and their own cultural background? Still
23 today C.B.C. North is in fact C.B.C. South. This
24 comment is in no way meant to deprecate the efforts
25 being made to provide adequate coverage to the public
26 of this Inquiry, sir.

27 However, such programming
28 tends to be the exception in a wasteland of alien
29 fare and content basically oriented to a culture and
30 a lifestyle may in the north today are prepared in

Kyllo, Dittrich
In Chief

1 / measure
2 large to reject. I will refer to this past Monday
3 evening when C.B.C. television presented a 30-minute
4 program in a series entitled,
5 "Finlay & Company,"
6 which conveyed something of the potential of television
7 to convey a positive and in-depth message. It was the
8 sort of thing we view much too infrequently. Nellie
9 Cournoyea of Inuvik with conviction of her attachment
10 and of her people's relationship to the land and the
11 waters of the Mackenzie Delta. The cameras brought
12 home to the viewers something of the reality of human
13 feeling and emotion. The tools of genuine communication
14 are there if we would only establish some sensible
15 approach in setting priorities.

15 In 1967 I moved to Inuvik.
16 Although the land of the Mackenzie Delta is very
17 different from that of Baffin Island, and the background
18 of the native residents somewhat different, one was
19 struck with the similarity of social conditions --
20 the work had been thoroughly done, disease had been
21 spread without favor right across the top of the world.

22 By 1967 the lustre of the
23 new Inuvik, officially unveiled to the world in the
24 summer of 1961, had lost some of its shine. The
25 excitement of a new town with a new life and unique
26 qualities was beginning to wane. The non-native
27 institutions of the transients were well-established.
28 Socially and economically the newcomers were all set
29 up. It was a town to be run as a town anywhere in
30 Southern Canada, by and for southerners. Recreation

Kyllo, Dittrich
In Chief

1 was geared to and run by those who had just arrived.
2 The fact that others, the vast majority, were here
3 first and would always be here, was irrelevant to the
4 new settlers. The ideal of three races living in
5 unity and harmony in a model Arctic community was
6 relegated to the tourist brochures.

7 Everything had been imposed;
8 everything had been meticulously laid on; everything
9 and everyone was programmed; whoever you were, you were
10 expected to accept the alien ways and to inculcate the
11 new values. Yet many sensed that those in control had
12 no real long-term interest in the land or in those
13 who call it their home. The imagery of the north as
14 the proverbial icebox to be raided, lingered forbiddingly.
15 Instantly a people had been made dependent on a system
16 and a way of life that was at best inept and impersonal.
17 The bureaucracy that grew fat by feeding on itself was
18 now entrenched. It was in the north but not of the
19 north. The civil service of non-natives grew by
20 leaps and bounds. The ordinary citizen never got to
21 know who made all the decisions. He was completely
22 oblivious as to who set the policies which affected his
23 life, as to how appointments to office were made, and
24 as to how people gained power and effective control of
25 their own affairs.

26 The spring festival, Muskrat
27 Jamboree, was transplanted from Aklavik to Inuvik. It
28 very quickly died from the now rampant disease of "do-
29 goodism". Outsiders thought it was their calling to
30 organize local people to do their native thing, but

Kyllo, Dittrich
In Chief

200829

1 on someone else's terms, of course, and within some-
2 one else's time frame. Recreation consisted of a big
3 booze-up appropriately flavored with games of chance --
4 designed, one would think, to degrade and dehumanize
5 all who would get spun around by the wheel of quick
6 fortune. The "maybe I can get something for nothing"
7 world had arrived. Initiative had been successfully
8 stifled. Individual pride and dignity had been well
9 and truly buried.

10 The old Ingamo Association, a
11 community organization consisting of a group of local
12 native residents, was struggling to revive itself when
13 I came to Inuvik, struggling against many odds to do
14 something that would meet the needs of native people in
15 the social, cultural, and recreational areas. The
16 money and other resources of government were more
17 attuned, however, to the newcomer's conception of
18 a Community Centre -- the hockey rink and the curling
19 rink were to be built at great costs and only after
20 a comedy of errors had been played out. An expensive
21 complex arose, one that was to serve only a segment
22 of the population, that was far from being multi-
23 purpose, that was a financial albatross around the
24 necks of the ratepayers, and one that could only be
25 utilized for a portion of each year.

26 When plans for the Arctic
27 Winter Games were announced by the government in 1969,
28 some people realized that this was a project geared
29 to southern thinking, designed for a large measure of
30 public relations for the administration, and primarily

1 for non-native activities and participation. It also
2 ignored all but the younger age groupings.

3 On the other hand, the native
4 Northern Games have managed to provide something of
5 a balance to this. Their story is well-documented.
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1 Appended to this presentation
2 is a copy of the 1975 Northern Games booklet, which
3 contains the history and story of the games since 1970.
4 I'm sure most of you have seen this Northern News
5 Report, August 12, '76 on northern games. Notice the
6 smiling faces.

7
8 Northern Games represented
9 a reaction against this kind of imposed programme, to
10 the sort of attitude to which native people have been
11 so long subjected. The success of the Northern Games
12 is widely known and recognized. They succeeded, but
13 not without many struggles and roadblocks, and lack of
14 adequate and realistic government support. They succeeded
15 because they both involve native people totally as
16 participants, people of all ages and drew them in as
17 decision makers. At the beginning of this month I
18 had the opportunity of attending the seventh annual
19 games at Coppermine. This time as a spectator, rather
20 than as an organizer and to reflect a little more
21 objectively on the whole event.

22 Northern Games was conceived
23 in 1969, born in 1970 and became an example of what
24 can be done to encourage and preserve cultural skills,
25 values, arts, and traditions. To preserve them as
26 a positive force for a human development in a situation
27 where personal pride and self-esteem must be enhanced
28 if the negative pressures and changes of today's north
29 are to be withstood. One may have to learn to adapt
30 to a degree, but it is only possible to do this successfully
if one has confidence, has the opportunity to express

Kyllo, Dittrich
In Chief

1 one's convictions, and is able to work actively towards
2 one's aspirations. Northern Games stands out, but much
3 more, should and could have been done over the years to
4 accomplish the kinds of things they have done. Government
5 has always been slow to respond to indigenous needs,
6 preferring, it appears, to fund programmes devised
7 elsewhere and designed to meet the needs of essentially
8 southern situations. It has been a constant fight
9 to maintain and implement relevant cultural and recreation
10 programmes. The Territorial Experimental Ski Training
11 programme has been reasonably successful because of
12 people involvement. There has been a paucity, however,
13 of this type of activity. In the rush for highway
14 bypasses and in the frantic haste to cater to the demands
15 of the developers or exploiters, as many are calling
16 those who come into the country for reasons of monetary
17 gain alone. The government can so easily ignore the
18 needs of such programmes. This was the case at Inuvik
19 when the ski runs were effectively blocked off by road
20 construction as the planning had given no thought for
21 the long term implications for the ski programme.

22
23 Major projects are too often
24 initiated without the knowledge of the very people who
25 are going to be directly effected.

26 A number of years ago, as a
27 member of the Inuvik Town Council, I urged that the
28 authorities refrain from giving away all the riverfront
29 and protect the east branch, Boot Lake and Twin Lakes,
waterways next to town. Surely the needs of local people

Kyllo, Dittrich
In Chief

1 must be considered and given some priority, I said.
2 Surely the long term recreational needs of the permanent
3 citizens ought to be respected by the legislators.
4 Industry comes and the access to the waterfront disappears,
5 people space, camping space, boating space adjacent to
6 the community, all are very soon at an absolute premium
7 if they any longer exist at all.

8 Huge tracts of riverfront
9 property are quickly tied up by the large corporations
10 with government as the facilitator. There is a lack
11 of balanced planning because policies are implemented
12 far from any local decision making process and for the
13 sake of expediency .

14 An in-town airstrip at
15 Inuvik is a safety hazard, a float plane base at
16 Shell or Long Lake, half-way to the M.O.T. airport
17 is both a safety hazard and a source of uncontrolled
18 industrial pollution. Airport or Dolomite Lake itself,
19 the only recreational area available to the average
20 citizen who is not fortunate enough to own private
21 transportation, is suddenly closed off and impounded
22 within the airport reserve. A beauty spot to which
23 access is being denied. That is, what was left of this
24 picnic and camping area after the use of the quarry was
25 allowed to go wild. This unrestricted use meant that
26 some of the most scenic land close to Inuvik was
27 systematically carted away by the truckload to build
28 a highway no one locally asked for.

29 Now this highway is being
30 constructed south from Inuvik, all the way to the Yukon

Kyllo, Dittrich
In Chief

1 Territory. What controls are there presently in force
2 to prevent pollution, irresponsible shooting of wild
3 life, burning of bushland and destruction of lakefront
4 property along these miles running from Inuvik to
5 Arctic Red River to Fort McPherson? A highway once
6 built and built without local consultation rapidly
7 opens up a fragile land to the ravages of careless
8 intruders who generally demonstrate little regard for
9 the long term protection of this land or for the welfare
10 of those who call it their own.

11 People have recognized the
12 need for a new and adequate native friendship center at
13 Inuvik to serve the delta area. A facility where programs
14 and services can be offered and co-ordinated to meet
15 the specific needs of the local people.

16 Appended to this presentation
17 is a copy of a brochure describing more about the
18 proposed friendship center at Inuvik.

19 The struggle to get the pro-
20 ject underway and to obtain basic funding tends to
21 discourage all but the most persistent. As I have said,
22 governments can find millions of dollars for this and
23 millions more for that, but are reluctant to give support
24 to a project that will provide positive social and
25 recreational alternatives for people. A project that
26 would allow permanent residents to accept responsibility
27 and be creative in their own cultural milieu. After
28 so many years of frustration by those who saw the
29 requirement for such a center, and after receiving
30

Kyllo , Dittrich
In Chief

1 approval in principle for the project, surely wide
2 support should be forthcoming.

3 Progress continues on con-
4 struction, as I was able to observe at Inuvik three
5 weeks ago, but realistic assistance is still required
6 in order that the center can become an operating reality.

7 In Inuvik, a place is
8 desperately needed where native people can feel at home.
9 A center where they can participate in the things they
10 want to do on their terms, and to emphasize the aspects
11 of life that they regard as important. This is a time
12 of crisis for the people of the delta. Are we going
13 to procrastinate again, as with Frobisher Bay and other
14 places and try to side-step the crisis, wringing our
15 hands later because too late we observed the results
16 of change, change that comes like a cyclone and sweeps
17 all before it?

18 Massive development brings with
19 it inevitable social upheaval. If such is to be allowed,
20 then proper provisions must be made for assisting
21 local people to adjust to and benefit from it. Where
22 people are able to participate in the running of their
23 own affairs, a much healthier community will evolve.
24 If we work towards more stability in the home and less
25 frustration in the individual's life, the total community
26 will ultimately benefit.

Kyllo, Ditttrich
In Chief

1 The concerns I expressed here
2 today about the Canadian north have been articulated
3 as well in reference to our full global village. I
4 am appending to my presentation a report commissioned
5 by the United Nations and submitted to Habitat, the U.N.
6 Conference on Human Settlements, Vancouver by the
7 World Leisure and Recreation Association. This survey
8 is entitled, "Beyond Survival; Leisure and Recreation
9 in Human Settlements.

10 I would like to offer one
11 quotation from this report:

12 "People cannot grow on the basis of physical
13 sustenance alone. They need a cultural identity
14 a sense of social fulfillment, a regeneration of
15 body and spirit which comes from various forms of
16 recreation and leisure and makes their role one
17 of growing importance on the world's agenda."

18 The same Association sponsored
19 a workshop at Habitat Forum on recreation and human
20 settlements on June 7, 1976 and made a number of
21 recommendations to government delegations attending
22 Habitat for improving the quality of life in human
23 settlements through leisure and recreation. I am
24 appending a bulletin which contains these ten recommenda-
25 tions.

26 There must be specific provisions
27 made for funding the operations of native run and
28 organized recreational and cultural facilities and
29 programs. Native people now have their own organizations.
30 They have acquired the potential and capability of

Kyllo, Ditttrich
In Chief

1 implementing relevant and viable programs and services.
2 We find details in yesterday's -- August 17, 1976
3 issue of the Globe and Mail on the latest upward
4 revision in pipeline cost estimates. It follows that
5 both the corporate and government sectors must revise
6 their thinking about the resources that need to be
7 provided for human oriented undertakings.

8 The government of Canada as
9 wells as industry and other agencies must recognize their
10 responsibility to support native endeavors in a
11 realistic and logical way. Not tomorrow, when life
12 will be that much more complex, but today while there is
13 still opportunity to prepare for the additional changes
14 and pressures that are around the corner.

15 Yes, people have many doubts
16 about mammoth projects like pipelines because they have
17 been through it all in micorcosm already. They have
18 known abandonment at a time of need. They have known
19 indifference at a time of seeking. They have known
20 broken promises at a time of crisis.

21 Modern technological know-how
22 may have something to contribute to northern development.
23 But in the process, let us not forget the contributions
24 northerners themselves have to make. Let us use every
25 means possible to support them in sharing positively and
26 creatively in the future of their own land.

27 A man's ancestry and heritage
28 merit respect and understanding. A man's values and
29 traditions have their unique contribution to offer to
30 the progress of northern society. A man's priorities

Kyllo, Dittrich
In Chief

1 and wishes are meaningful and enriching recreational
2 and cultural expressions need the support and encourage-
3 ment of us all.

4 I trust sir that you will use
5 the opportunity given you to make the strongest possible
6 recommendation to the Federal Government and also advise
7 private sector that they attach some special priority to
8 discharging their moral, if not their legal obligations
9 to support, to the fullest extent the cultural and
10 recreational needs and aspirations of northern people
11 at this particular time.

12 THE COMMISSIONER: Well thank
13 you Reverend Dittrich.

14 MR. BAYLY: Mr. Commissioner,
15 I will be asking Miss Hutchinson if she wouldn't mind
16 marking those appendices as exhibits so that they will
17 available to all parties to look at.

18 THE COMMISSIONER: Right.

19 MR. BAYLY: I wonder if we
20 could go then to the evidence of Mr. Leo Kyllo.

21 WITNESS KYLLO: Thank you. Is
22 this on? My paper is entitled "Northern Life and
23 Leisure: An Assessment of the Impact of the Mackenzie
24 Valley Pipeline".

25 Mr. Justice Berger, ladies
26 and gentlemen. For a period of nearly one year, from
27 August 1974 until July, 1975, I had the dubious honor
28 of holding the position of chief of recreation for the
29 Government of the Northwest Territories. I reluctantly
30 left the position because I was unable, after gaining

Kyllo, Ditttrich
In Chief

1 considerable degree of public confidence to deliver the
2 services which I felt I had been hired to develop.

3 A copy of my letter of resignation is appended.

4 I appear before this Inquiry
5 without any vindictive attitudes towards the north or
6 of the government. Rather, I wish to provide some small
7 assistance in developing a climate within which the
8 people of the north, especially the native population
9 may have a legitimate input to the decisions which
10 affect their lives. I firmly believe that each indivi-
11 dual, regardless of origin, station or walk of life, has
12 the right to be an effective part of the process that
13 determines his future. The national or public good should
14 not casually override individual rights. That, I
15 believe, is the intention of this Inquiry, in spite of
16 its detractors and I commend the dedication of Mr.
17 Justice Berger and his staff.

18 Further, as a result of my
19 experience within government, I am convinced that neither
20 the Government of the Northwest Territories nor the
21 Federal Government has the above noted principle at
22 heart. In spite of regular comments to the contrary,
23 involvement of the citizens in almost all matters attempt-
24 ed by these governments is so ineffectual as to be
25 tokenism or so directed as to be manipulation. Perhaps
26 this Inquiry is the advent of a new era of public involve-
27 ment according to the public's terms.

28 Industrial development, social
29 change and cultural evolution. When considering the
30 effects of development upon a specific region, leisure

Kyllo, Ditttrich
In Chief

1 services are often considered as an important means of
2 integrating a growing community and providing for an
3 enjoyable life. This consideration has certainly been
4 in the minds of the Government of the Northwest Terri-
5 tories. It has been, in my opinion, selected as an
6 easy solution to the social and racial tensions that
7 are expected to arrive with the pipeline construction.
8 However, I hope to point out in this appearance that
9 the provision of recreation services, for white or
10 native sectors of the population holds no simple
11 solution to the problems and dissention that can be
12 expected with industrial development and social change.

13 The impending industrial
14 development hanging over the north will, I feel, bring
15 about many imposed changes in northern lifestyles. A
16 population, struck with rapid change and a complete
17 disruption of lifestyle and culture will in all likeli-
18 hood undergo serious personal and social disorientation.
19 The further this change reaches into the roots of
20 society, into its occupations, its family structure,
21 its traditions and its environmental relationship, the
22 greater will be the disorientation that results.

23 Thus, one cannot consider the
24 pipeline nor the gas processing plants nor the transpor-
25 tation and commercial developments as isolated cases.
26 For, as society is greater than the sum of its parts,
27 so is the total impact of a series of actions upon
28 society more likely to be the product rather than the
29 sum of the individual impacts.

30 I do not intend to fully

Kyllo, Dittrich
In Chief

1 describe the results of disorientation on an individual
2 or a society. This Inquiry has, no doubt, been given
3 substantial evidence of the family breakdown, alcoholism,
4 violence, poverty in the midst of plenty, prostitution,
5 drug addiction and suicide that flourishes when a
6 society is thrust into a vacuum and not given the time
7 nor assistance to adjust. Canada's historical approach
8 in dealing with native people has left us a sad packet
9 of evidence of the results. Some bands have survived
10 in spite of the system but many are merely a ghost of the
11 culture that once thrived. A few years ago, I was told
12 by a proud member of one of Canada's most prosperous
13 Indian bands:

14 "When I was 49 years old, I finally decided to quit
15 trying to be a white man and just try to be a good
16 Indian."

17 What kind of a society do we
18 have that will drive a man nearly into his fifth
19 decade before he discovers his identity? How many,
20 not so strong as he, fell along the way?

21 I do not feel it is reasonable
22 nor perhaps even moral to suggest that native's life-
23 styles and cultures have been so modified and affected
24 by past years of northern "development" that it would
25 be best to rush these people fully into a totally new
26 and so called "modern" condition. It has been suggested
27 to this Inquiry by Dr. Hobart in his July testimony
28 dealing with "Other Construction Phase Impacts", that

29 "The damage has already been done and/or is per-
30 petuated and deepened by dependency, welfarization,

Kyllo, Dittrich
In Chief

1 and the lack of opportunities for employment and
2 opportunities to act independently, self-sufficient-
3 ly and consequently. The pipeline would make
4 available this variety of opportunities."

5 Employment opportunities
6 do not necessarily bring independence or self-sufficiency
7 especially for those whose cultural orientation and
8 personal identity is not in tune with the values of the
9 wage economy. Nor are employment opportunities expected
10 to extend to all persons in the north. Those who are
11 left out of the opportunity picture will be even less
12 able to cope.

13 The provision of "massively
14 available" employment opportunities to northerners is
15 in my opinion, more of a myth than a reality. Except
16 during the construction phase, the petroleum industry
17 is capital intensive rather than labor intensive.
18 The majority of positions, especially in operational
19 but also in construction phases require a high level of
20 technical skill. My experiences through nearly three
21 decades of contact with the oil industry leads me to the
22 conclusion that, except for those with relatively high
23 educational levels or those having developed technical
24 experience over many years, the employment opportunities
25 in the industry are low. I would expect that most
26 northerners will be limited to employment in seismic
27 and drilling phases on pipeline labor crews and on rousta-
28 bout crews serving oil and gas production and processing.

29 In spite of the suggested and
30 presumed successes of the Northern Training Program,

Kyllo, Dittrich
In Chief

1 I do not feel that this project will provide more than
2 a few skilled employees for the operation of the
3 pipelines and other equipment. The trainees generally
4 do not remain with the program long enough to become
5 fully skilled and experienced. Whether this is due to
6 the pull of the north or the push of the south, is
7 somewhat immaterial. A lengthy period of training in
8 the north after production commences will likely be
9 required to provide the skills these people will
10 require. During this period, there certainly will be
11 an absence of the "context for whites" this is a quote--
12 "...and natives to work and interact together as
13 equals."
14 referred to by Dr. Hobart as being an opportunity to
15 reduce the interethnic misunderstanding and tension.
16 My association with several employees of Alberta Gas
17 Trunk Lines were in direct contact with northern trainees
18 leads me to assert that the acceptance of these people
19 -- of these persons -- is not as compatible as Dr.
20 Hobart was led to believe.
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Kyllo, Dittrich
In Chief

1 In any event, the inclusion
2 of northerners in the construction and operation of
3 gas and oil facilities will be, I believe, mainly
4 related to unskilled labor. The equality of position,
5 salary and authority is certainly not to be expected.

6 I am not suggesting that the
7 development of the north is to be totally rejected or
8 indeterminately delayed. Improved opportunity for
9 northerners is necessary, but this opportunity must be
10 in full recognition of the social and cultural situation
11 in the north, and with reasonable and effective involve-
12 ment of northerners. The economic and industrial
13 development must also be timed to allow the people
14 affected to adjust to a new way of life and a different
15 social condition. This requires a process or program
16 of social adjustment.

17 A program of social adjustment
18 can ease a population into a new way of life. This
19 program, however, is a lengthy and difficult process to
20 attain. It involves building links between the past
21 and the future, links that allow the individual to
22 retain a psychological contact with his traditions
23 and culture, while moving towards a new life. It is,
24 in fact, a process of cultural evolution. But the
25 process must be one of evolution, not of abrupt and
26 complete disassociation. An individual cannot be
27 expected to retain personal orientation nor a common
28 societal value if he is completely removed from his
29 cultural basis.

30 I do not wish to suggest that

Kyllo, Ditttrich
In Chief

1 a culture must remain unchanged. I believe that cul-
2 tural evolution in response to moderate social and
3 environmental change, can have a similar effect in keep-
4 ing a culture healthy and adaptable that natural
5 evolution, in response to moderate environmental change,
6 has in keeping a plant or animal species healthy and
7 adaptable. But rapid environmental change can result
8 in the extinction of a species. Likewise, too rapid
9 social or environmental change can result in the
10 extinction of a culture. Few individuals have the
11 psychological hardiness to physically survive this
12 shock. The studies of brainwashed soldiers following
13 the Korean War have indicated the inability of the
14 human species to cope with life without a solid
15 cultural identity and social foundation. This is the
16 type of cultural vacuum that has faced many northerners;
17 a vacuum that is likely to increase with further
18 industrial development unless action is taken to
19 prevent it.

20 Time and the involvement of
21 the people are necessary in formulating this adaptive
22 process of social adjustment. But unless social
23 adjustment is considered and given time to effect
24 a link, the native people of the north are likely,
25 I believe, to be affected in one of two ways: political
26 revolution or cultural extinction. If this culture
27 is strong it may revolt against those happenings
28 which threaten its social values. If it has not the
29 strength to revolt, it would likely suffer extinction.
30 The second possibility is, I feel, by far the most

Kyllo, Ditttrich
In Chief

1 tragic.

2 The success of a program of
3 social adjustment, although not well-documented, and
4 seldom undertaken, can be effective in easing a society
5 into a new way of life. In my opinion, two of the best
6 examples of this process relate to the leisure field
7 and are specific to the north. These are the Terri-
8 torial experimental ski training program and the Northern
9 Games, both referred to by Reverend Ditttrich. These
10 two programs, accepting each person as an individual,
11 and developing links to cultural traditions have
12 assisted a number of northern natives in adjusting to a
13 new way of life. Each of these programs, however,
14 has required substantial time to be effective. They
15 are not crash programs.

16 Specific impacts of pipeline
17 development. There are specifics relating to impending
18 industrial development that must be considered as well.
19 Likely the most serious of these relates to the effects
20 of inclusion of native people into the wage economy.
21 Native families are strongly father-centred. The
22 removal of the dominant family focus for long periods
23 in construction or operations camps is likely to have
24 serious effects upon the functions and viability of
25 the family. The results will be, and I understand that
26 the Alaska experience has borne this out, a breakdown
27 of many family units.

28 Although increasing the per
29 capita income of the region through greater employment
30 opportunities seems like a worthy concept, it is not

Kyllo, Ditttrich
In Chief

1 without difficulty. Unless the employment opportunit.
2 are in line with the culture of the people, (for exam
3 in work schedules, seasons, or environmental percep-
4 tion) the wage economy is not likely to be fully
5 compatible. A further difficulty relates to those
6 who are not capable of inclusion in the wage economy.
7 The so-called improved lifestyle could well bypass
8 these people and the escalating cost of living could
9 make their existence extremely difficult.

10 The effects of southern
11 people on northern communities. An influx of southern-
12 ers to the north is, I feel, inevitable if the pipeline
13 and industrial development proceeds. These people will
14 come from many walks of life and social situations.
15 There will be, among others, the transients, the for-
16 tune seekers, the construction gangs, and those who see
17 the development in the north as their last chance.

18 The experience in Alaska has
19 been that,

20 "many... bring their problems with them."
21 That quote is from the Anchorage Planning Department
22 Report, previously mentioned or brought into this
23 Inquiry. This document outlines the problems of
24 venereal disease, mental health, family breakdown,
25 drug abuse, alcoholism, crime, violence and prostitu-
26 tion that have accompanied pipeline construction.
27 These effects have been substantial in spite of the
28 ability of Anchorage to absorb a significant impact
29 because of its larger size. A proposed increase of
30 recreational spending of some \$8 million in seven

Kyllo, Ditttrich
In Chief

1 years will be only marginally effective, I feel,
2 because it merely offers an expanded product, and not
3 an improved social development process to the new-
4 comers.

5 The effects of pipeline
6 construction on the Mackenzie Valley will be much more
7 severe. The size of the valley communities and their
8 social and economic situations would indicate that
9 they are not capable of adjustment or such serious
10 disruptions. And the proposal to isolate the construc-
11 tion personnel from these centres is easily stated but
12 extremely difficult to achieve. It is surprising to
13 what extent some bored or isolated workers will seek
14 an evening of fun and frolic; nor do long hours of
15 hard work diminish their desires. I found through
16 my experiences on a seismic crew in Northern British
17 Columbia that men who had worked for 12 hours in deep
18 snow and cold temperatures would drive 150 miles over
19 bush trails and the slippery Alaska Highway just to
20 spend a couple of hours in the nearest town. And of
21 course, alcohol and girls were the major attractions.

22 The chance of accomplishing
23 an effective isolation of crews from the valley
24 communities is even more remote when one considers
25 the probability of governments condoning the methods
26 which would be necessary to make the suggestion work.
27 It would take an enlightened police state to enforce
28 the necessary regulations, and it would require the
29 institution of such programs as an imported prostitution
30 service. Such a logical but so-called immoral move

Kyllo, Ditttrich
In Chief

1 unlikely to result.

2 The effects of the pipeline and
3 other resource development in the north is not limited
4 only to northern residents. The social disruption also
5 extends to southern communities. My work has brought
6 me in contact with the serious family disruptions
7 caused by the single parent family effect of drilling
8 rig workers who travel to northern sites from southern
9 homes.

10 The problems are not overcome,
11 however, by bringing the families to the worksite, even
12 with the provision of community and recreation
13 facilities. Although no research has been conducted
14 to verify it, the conclusion of social services and
15 mental health authorities is that serious social
16 problems, including family breakdown, alcoholism, mental
17 health disorders and suicide, are much more prevalent in
18 isolated resource towns. In particular I would like
19 to bring a reference to Dr. Charles Hellon, a member
20 of the Department of Social Development in Alberta,
21 who confirmed this concept. A social development
22 officer stationed in Grande Cache, Alberta, from 1970
23 to 1972 dealt with an exceptionally high number of
24 suicide attempts compared to his experiences in other
25 communities. A good many of these attempts involved
26 young women who were unable to contend with the isola-
27 tion of long winters and the darkness of this community.

28 I would like to break here for
29 a moment and read from a very brief article that was
30 in the "Edmonton Journal" Monday, August 9th, on page 1.

The article is entitled:

"Native Suicide Study Urged."

"A study into the alarmingly high suicide rate among the native people should receive the highest priority, according to a provincial task force report. Estimates put the suicide rate among Alberta Indians from 5 to 20 times higher than it is for the rest of the province."

A quote from the report:

"Our report makes a glaring omission in not addressing itself in depth to this tragically high rate of suicide."

But the report says it was hampered by insufficient data and bureaucratic obstacles that prevented it from finding enough data on its own.

I will append this article to the report.

Thompson, Manitoba, provides a case study of a different problem. This community has had one of the highest rates of divorce in North America, much higher than other communities of similar size and condition. - The reason, it was discovered, is linked to the situation that residents of Thompson normally purchase their homes soon after arrival while other resource communities generally utilize rental arrangements. When family breakdown has occurred, the husband has remained in Thompson to dispose of the house in a slow market, and is so registered by the time the divorce takes effect.

Kyllo, Dittrich
In Chief

The previous examples indicate some of the problems that result when people are placed in an isolated and strange environment. The mere provision of recreation facilities and programmes has not been sufficient to remedy the problems. Both Grande Cache and Thompson have exceptional leisure facilities for communities of their size and these centers have not substantially bothered to attempt the integration of native people, otherwise the effects could be even more drastic.

The integration of races and cultures is difficult to accomplish in a stable social situation, however, it is, in my opinion, virtually impossible to achieve in the condition where instability is the norm and a portion of the population consists of ne'er do well's. It is a well accepted sociological concept that racial discrimination is more severe among those who lack personal success. These people tend to search for someone who is lower in status than themselves, someone to look down on, thus, it is likely that racial tensions could be significantly increased with the arrival of construction crews, various service personnel and the fortune seekers.

Benefits of recreation development. As mentioned previously, the provision of recreation facilities is often presented as an effective means of reducing the social and racial tensions brought about by resource development in isolated or northern environments. Dr. Hobart states, and I quote:

Kyllo, Dittrich
In Chief

1
2 "Alcohol consumption is associated with
3 the quality of housing and the avail-
4 ability of recreation facilities, thus,
5 it can be anticipated that more adequate
6 housing and a wider range of recreation
7 alternatives should tend to reduce
8 drunkenness and violence."

9 That quote was from panel
10 four, previously mentioned.

11 While I agree that the provision
12 of recreation facilities and services can have the effect
13 of enhancing social interaction, improving intercultural
14 understanding, and raising the individual's quality of
15 life, the provision of facilities alone will not bring
16 about the desired results. In fact, the provision of
17 facilities alone may have the effect of providing a
18 coliseum for a gladiatorial spectacle. Or the service
19 may segregate peoples, according to interest and cultural
20 tradition.

21 Reverend Dittrich mentioned
22 this in reference to the situation in Inuvik.

23 Rather, the provision of
24 facilities must be carefully balanced by a long-term
25 programme of social contact, interpersonal appreciation
26 and cultural understanding. This programme must approach
27 and accept each individual on his own terms and in his
28 own time. It cannot be rushed and it is unlikely to
29 succeed if it directs or dictates to those involved.
30 The process must be one -- must be of an initiating

and supporting nature and it must concentrate upon the involvement of the people in a manner in which they have the right of choice.

Traditionally, isolated communities, developed for resource exploitation have had recreation facilities that would far outstrip their per capita opportunity levels of larger urban centers in the south. These facilities have generally been provided to attract staff. My experience, touching on such resource towns as Turner Valley, Fort. St. John, Swan Hills, Whitecourt, Grande Cache, Thompson, Fort McMurray, and Yellowknife has convinced me that social tensions and personal interaction has not been significantly improved by the provision of facilities. It has not been until the communities have had a number of years through which the process of understanding and acceptance has taken place, during which the community has matured, that the social tensions have been reduced.

Resource communities have often been referred to as hard-drinking, hard-fighting, tough communities. This title is often realistic during

Kyllo, Ditttrich
In Chief

1 the early years of their history. I am confident, how-
2 ever, that the process of maturation or social under-
3 standing can be nourished and assisted. A spark of
4 initiative and encouragement from people who are skilled
5 in interpersonal relationships and who understand social
6 processes can provide a proper growing climate. The
7 seed of individual involvement and local leadership
8 must then be nourished until the people are confident
9 in their own identity and culture. These people can
10 then bring forth the blossom of intercultural and inter-
11 personal relations.

12 The process, however, requires
13 adequate social animators and local leadership. But the
14 key to the whole issue is time. The process must be
15 nourished, it cannot be forced.

16 The response of the government
17 of the Northwest Territories. One of the main reasons
18 for submitting my resignation to the Territorial
19 government was my inability to bring about any reasonable
20 recognition of the impending future. My cries for
21 haste in initiating the social recreational and leader-
22 ship programmes necessary to ease the impact of impending
23 development appeared to fall on deaf ears. At every
24 avenue, I was told that there would be no funding,
25 staffing service, or support available. The programmes
26 were required to wait until additional funds were made
27 available, likely when the pipeline construction was
28 ready to begin. In my opinion, this inactivity, in the
29 face of impending need, was not adequate. *

30 All the while, the programmes

Kyllo, Dittrich
In Chief

1 and services that were in existence were expected,
2 according to my superiors, to be continued. Resources
3 for native recreation staff training were not available,
4 but many thousands of dollars were to be spent on the
5 Arctic Winter Games. Local recreation leadership
6 development could only be initiated in a small manner
7 though a federal grant, however, an arena for Cambridge
8 Bay would proceed. Numerous other examples could be
9 given, indications of a lack of commitment to consider
10 fully the future service requirements.

11 I am not inferring that the
12 services and programmes that had been in operation
13 were worthless, indeed, many of them are valid and
14 useful services. However, I feel they are not, con-
15 sidering the future facing the north, the most necessary,
16 nor equitable. In my opinion, the recreation budget
17 of the Territorial government is disproportionately
18 utilized by services to the white sector of the population.
19 During my tenure with the government, I would estimate
20 that some 75 percent of the funding served the white third
21 of the population. This situation may even extend to
22 other departments and agencies. This disproportionate
23 utilization of public funds is not entirely by direction.
24 A good deal of ^{the}misappropriation is due to the adminis-
25 trative and organizational system of the government,
26 the white sector, especially those with governmental
27 experience, know how to use this system to advantage.

28 It is not adequate, I feel,
29 to consider only the economic and employment aspects of
30 development in preparation for northern development.

Kyllo, Ditttrich
In Chief

1 The studies carried out by the government, in relation
2 to gas plants, mining, and service industries and
3 transportation development should be supplemented
4 by studies and programmes to improve the recreational
5 social and community development of the north. Nor is
6 it adequate to consider only the Mackenzie Valley. The
7 benefits of development granted one region, real or
8 imagined will necessitate improvement throughout the
9 north.

10
11 If additional funding for the
12 necessary studies and development services was not forth-
13 coming through the usual channels, then the government
14 should have made drastic reductions in on-going or
15 existing programmes. To continue existing services
16 and sidestep the future needs was, I feel , pure folly.
17 This was especially so in light of the critical element
18 of time.

19 The process of governmental
20 preparation for the oncoming industrial development has
21 been even more futile because it has been so directed
22 by the governmental staff. The real needs and aspirations
23 of the native people of the north have not, in my opinion
24 been examined or considered. To call the tokenism
25 that has been the usual public, governmental assessment
26 of development proposals, development partnership -- or
27 Partnership Developmental Approach, is, in my mind,
28 a cruel form of irony.

29 Thank you.

30 THE COMMISSIONER: Thank you
very much, Mr. Kyllo. If there are any questions, do

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 you want proceed with them this evening or do you want
2 to --

3 MR. GOUDGE: I think sir, if
4 we could prevail for another fifteen or twenty minutes
5 we might complete this panel today.

6 THE COMMISSIONER: Okay.

7 MR. GOUDGE: Mr. Hollingworth?

8 MR. STEEVES: I'm sorry, I
9 couldn't hear what you said.

10 THE COMMISSIONER: Mr. Goudge
11 said that if we sat another fifteen minutes he thought
12 that would exhaust the questions that might be addressed
13 to Reverend Dittrich and Mr. Kyllo. So, let's go on.

14 MR. GOUDGE: Mr. Sigler?

15 MR. SIGLER: I have no questions,
16 sir.

17 MR. GOUDGE: Mrs. MacQuarrie.

18 CROSS-EXAMINATION BY MRS. MacQUARRIE:

19 Q Reverend Dittrich, you
20 mentioned the Frobisher Bay Rehabilitation Center. I
21 wonder, is that still in existence, or could you tell
22 us a bit about it?

23

24

25

26

27

28

29

30

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 WITNESS DITTRICH: No, it
2 was phased out some years ago. There was a similar
3 centre in Inuvik as well, and I presume they were
4 phased out because they were not being successful, but
5 they certainly went on for a long time past the point
6 where it was obvious to most of us that they were
7 not serving any valid function.

8 Q Were they primarily for
9 mentally and physically handicapped people?

10 A Mostly physical, I would
11 say, although some of them were mentally handicapped
12 by the time they came out.

13 Q I see, and where are
14 these people now?

15 A Most of them simply re-
16 turned to their own homes or a number of them remained
17 in the urban centres of Frobisher and Inuvik where
18 they found themselves. In a sense they still have
19 problems.

20 Q Are some of them likely
21 in foster homes in the south as well?

22 A Well, I don't think I am
23 speaking of children. Is that what you mean?

24 Q No, adults as well.

25 A Yes. I don't know, I
26 have no statistics.

27 THE COMMISSIONER: Excuse me.
28 Were these -- you say ^{those people were} physically handicapped -- do
29 you mean because of some birth defect or are you
30 speaking of children born with some retardation of

Kyllo, Ditttrich
Cross-Exam by MacQuarrie

1 their mental capacity? I didn't quite follow you.

2 A No, I'm thinking or I'm
3 referring to adults primarily who were physically
4 handicapped, possibly through birth defects but often
5 through hunting accidents or the normal course of
6 accidents during one's life.

7 Q Right, I understand.

8 A Others might have been
9 people maladjusted socially and who were brought into
10 that environment in an attempt to rehabilitate them
11 socially, but this was not really the environment
12 in which to do it.

13 MRS. MacQUARRIE: Was the
14 centre staffed with professional workers?

15 A In the sense that
16 people had certain skills, I suppose, in the sense of
17 teaching cooking, or teaching sewing and crafts, but
18 not in the sense of professional social workers.

19 Q Or therapists, I see.

20 A I think we're going back
21 quite a few years here.

22 Q I wondered, because
23 I hadn't heard of it.

24 A Pre-1966, '65, you know,
these were when they were phased out.

25 Q I see.

26 A But I used it as an
27 example of early government programs which really were
28 quite ineffective and had more detrimental effects
29 than positive effects.

30 Q I see. Thank you.

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 Mr. Kyllo, what definition
2 did you use for "recreation" when you're speaking of
3 it in your presentation?

4 WITNESS KYLLO: "Recreation"
5 and "leisure" are two terms that are very often
6 synonymously used, and with very wide interpretations.
7 Amongst professional usage it can vary anywhere from
8 non-work time to the availability of opportunity of
9 choice. My personal interpretation is more on the
10 scale of the choice end of the spectrum. I tend to
11 feel that people can engage in leisure or recreation,
12 as you might call it, whether they're in a work
13 situation, whether they're in a non-work situation,
14 whether they're in a traditional cultural environment,
15 or whether they're in a modern urban society. Choice
16 is ultimately the defining item that comes into every
17 definition of "leisure". Probably the only common
18 item that is within the various definitions.

19 Q I see.

20 A Does that answer your
21 question?

22 Q Yes, it does. In our
23 previous conversations I believe if I remember
24 correctly, the leisure time is fairly new to most
25 northern people in that before much of their -- well,
26 their total waking time was spent surviving. Was this
27 a problem for you when you worked with the Territorial
28 Government, to start at the very bottom of the --

29 A Not really. The inter-
30 esting thing that I find is that very often the native,

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 the traditional cultures have a much what I consider
2 to be a much more broad relationship to leisure than
3 do the more modern workaday world forms of culture.
4 The traditional cultures do not separate recreation
5 and leisure from existence or survival or work or
6 whatever you might call it. It's all a part of life
7 and I think that a lot of society is tending to move
8 back into that relationship, in what might be called
9 the post-industrial phase. But through the industrial
10 phase we tend to dissectorize work and leisure and
11 this-- we've been thrusting the native people really, into
12 that environment, when probably their interpretation of
13 the lifestyle of which they led was much more rounded and
14 well-based in the first place. So I think they were
15 probably, a lot of the native cultures are probably
16 further advanced in their concept of leisure than are
17 the people in the more modern industrial lifestyles.

18 Does that answer?

19 Q Would you see this as
20 like the two cultural interpretations of leisure time
21 then, would you see this as a conflict in first of
22 all developing any kind of a reasonable recreational
23 program in the Territories?

24 A It's not a conflict at
25 all, if you can consider the blending of a lifestyle.
26 If you have to consider sectors of time as governments
27 generally do, then it does become a problem. If govern-
28 ments are stringent upon identifying work time as differ-
29 ing from leisure time, then it does and certainly within
30 the native lifestyles and the oncoming industrial

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 development. This might possibly be so. If we expect
2 the native people to sectorize their life in the same
3 way, to compartmentalize their life into an eight-hour-
4 a-day work period and a leisure period separate from
5 that, then it certainly will become a problem in trying
6 to integrate people into this kind of a lifestyle and
7 to develop the kind of programs that are going to
8 ease them into that situation. Governments, I don't
9 think have adequately been able to deal with that in
10 the past.

11 Q Would you comment on some
12 of the solutions you perhaps see for dealing with
13 this?

14 A When I was with the
15 Territorial Government we developed a position paper --
16 well, actually it was a further development of a
17 position paper that was prepared by Mr. David Flynn,
18 who had previously worked with the department of
19 local government. His paper was entitled,

20 "Recreation North,"

21 and we worked further the Recreation Division worked
22 further on that paper and worked with the native people
23 in the north in developing a series of policies and
24 proposed programs that we thought would start to
25 lead us into a more appropriate recreational situation
26 in the north, and into a situation in which the native
27 people would have some means of developing the cultural
28 link, the link between the past and the future.

29 The report was prepared over
30 about a six-month period when I first arrived, and

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 sat for another six months somewhere between my desk
2 and the Commissioner's desk, and was not acted upon.
3 I never even received any indication that it had
4 been received or reviewed by the Executive Committee.

5 At the same time, the people
6 in the smaller communities that we had been dealing
7 with to develop these new policies started to come
8 back with questions such as, "What is happening?
9 You were talking to us some months ago about the new
10 procedures, the new programs that would be forthcoming.
11 Where are they?"

12 I was in the position that
13 I couldn't answer. I didn't know, and it's a very
14 uncomfortable position to be in.

15 In that light, I have to agree
16 with Mr. McDiarmid's statement that the past few years
17 have been a period of conflict and I don't think that
18 conflict has been initiated by the native people,
19 because I found that most of the smaller communities
20 and especially the native communities that haven't
21 had a great deal of pressure, were extremely anxious
22 to do things, as long as they had some involvement
23 in the process. But when the process didn't involve
24 them properly, then of course there was a period of
25 conflict.

26 Of course I got into the
27 period of conflict when I couldn't produce the programs
28 and services that we had effectively been promising
29 them through the process of involvement and discussion.

30 Q To your knowledge, is

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 this report still on the bottom shelf, or have some
2 of your recommendations been implemented?

3 A From my knowledge, in
4 talking to some of the governmental staff -- and I
5 can't comment on this fully because I'm not sure
6 just what has happened -- but to my knowledge nothing
7 has happened since that time, so it is now a year and
8 a half since preparation of the report, a report
9 incidentally that was called for, an implementation
10 plan that was called for by the Territorial Council.
11 It has gone a year and a half since that point, and
12 to my knowledge nothing has happened, nothing has
13 changed significantly.

14 Q So the negative aspect
15 of that little exercise would have been just increasing
16 the frustration level in the communities then.

17 A Certainly, within about
18 four to five months after the report was prepared and
19 in the Executive Committee's hands, I was receiving
20 quite a good deal of negative comment and questions of
21 what's happening, so I'm sure after a year and a
22 half that whole process has been totally frustrated,
23 and I am sure that the next time it's not going to
24 be so easy to bring about.

25 The next time the conflict
26 will be much more evident than what I ran into.
27
28
29
30

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 Q Do you have any idea of
2 what proportion of funds is legislated for sports
3 activities as to the more social kinds of leadership
4 programs and the teachings of --

5 A It's a very much higher
6 proportion. Now, I can't comment on what has happened
7 since I left. But in my opinion, during the year that
8 I was with the Territorial Government and over two
9 budget years during which I am familiar, I would esti-
10 mate and I must just estimate it because I don't
11 have any figures with me -- but I would estimate that
12 probably a good 75% went directly to sport and sport
13 related programs -- sports facilities for instance --
14 than -- and about 25% into leadership development, into
15 cultural programming, into the more broadly based
16 recreational activities.

17 Q I see. Our concern has
18 been all along that perhaps the fun and game's aspects
19 of recreation only appeal to a very ^{small} portion of the
20 poulation whereas the rest of the people are house-
21 bound in that they don't go out to the recreational
22 facility that is built so that is the reason for that
23 particular question.

24 A I certainly must agree
25 with you. A good many of our recreation facilities
26 are designed specifically for the younger sector of the
27 population and most commonly for the males. Even the
28 females are far behind in actual opportunity compared
29 to the males. The teens and the adults are the
30 areas that receive by far the largest proportion of

1 service.

A Very often, yes. This is especially so in communities in which rapid change is taking place. The sports agencies which generally attract the younger sector of the population and especially the males again are more organized and can demand much more than the unorganized, the less established kinds of services. Therefore, the hiking trails or the unorganized cross-country ski trails or the drop in center doesn't have a great establishment behind it receives far less in attention and in funding.

A I would suggest that it would be an excellent project to undertake. I think there would be some rather serious consequences from it. I would hope at least that it would open some eyes and perhaps some governmental and public attitudes would be changed.

A The time that is appropriate
to bring the people from where they are to where they

Kyllo, Dittrich
Cross-Exam by MacQuarrie

1 have to be and I can't tell you what that might be.
2 It might be five years, it might ^{be} ten years. It might
3 be two years. It might be 20 years. But without that
4 period of time, the necessary period of time, I don't
5 think the cultures can survive. I don't think they have
6 the hardiness to be able to withstand the shock; just
7 as the dinosaur didn't have the hardiness to withstand
8 the shock of the Ice Age. Incidentally, dinosaurs lived
9 for something like 300,000 years -- or 300,000 times
10 longer than the human species has been on the earth so
11 perhaps they were even more hardy than we are in spite
12 of our usual thought.

13 Q Are you aware of any long-
14 range programs or social or recreational programs that
15 are currently being formulated to assist people in the
16 transition through this rapid change?

17 A The only two that I am
18 aware of that were instituted actually prior to the
19 time that I was with the Territorial Government and that
20 are still in operation are the Northern Games Program
21 and the Territorial Experimental Ski Program. Other
22 than that, we tried to extend those kinds of services
23 and that kind of an approach but we were unsuccessful.
24 From my understanding, nothing more has been done from
25 that point.

26 Q Nor in the area of the
27 leadership or social kinds of things?

28 A Except for minor programs,
29 the Federal Government, through Recreational Canada,
30 when I was with the Territorial Government, did provide

Kyllo, Dittrich
Cross-Exam by MacQuarrie
Cross-Exam by Hollingworth

1 some funding for recreation ... leadership clinics in
2 communities. But this was so limited, it was a such
3 a small amount of money in the neighborhood, I believe
4 of \$20,000 that it just doesn't do much across the
5 whole of the Northwest Territories.

6 Q The \$20,000 was for across
7 the Territories?

8 A For the whole of the
9 Northwest Territories. From my understanding, that
10 program is still in effect, but I don't think it has
11 been expanded or not substantially expanded. Not to
12 the extent that is necessary in any event.

13 MRS. MacQUARRIE: I have no
14 further questions.

15 MR. GOUDGE: Mr. Hollingworth?
16 CROSS-EXAMINATION BY MR. HOLLINGWORTH:

17 Q Mr. Kyllo, you stated in
18 your resume that you majored on your Bachelor of Arts,
19 you majored in community recreation planning, sociology
20 and community development.

21 A Yes.

22 Q You had three majors.

23 A The recreation administra-
24 tion program in the University of Alberta is a very
25 flexible program through which the individual can
26 pattern an educational structure to the best of their
27 advantage. I had the good fortune of having good
28 advice when I went into the program and the advantage
29 of being able to work a good number of these sorts of
30 courses into my studies. I presently have enough

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 sociology courses and psychology courses to receive
2 a sociology degree in addition to the recreation degree.
3 The only difference is that I took a different English
4 course than what the Sociology Department requires.

5 Q Well how many courses
6 did you take during your B.A.?

7 A I took an average of
8 six full courses a year with an occasional extra course
9 thrown in. I believe -- I don't have the exact figures
10 with me. But I have the equivalent of approximately
11 26 full full-year courses within my --

12 Q So you were four years
13 getting your B.A.?

14 A Yes. It was a four year
15 program. Yes.

16 Q How many sociology courses
17 did you take in that time?

18 A Offhand, I don't have
19 those figures with me either but I would say in the
20 neighborhood of about 15.

21 Q 15?

22 A Yes. It was -- the
23 course is very heavily structured towards the sociology
24 program.

25 Q So that there were 11
26 courses that encompassed community recreation planning,
27 community development and presumably psychology because
28 you just named it too?

29 A Well the sociology courses
30 were -- a number of those were programmed into the

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 recreation department as well.

2 Q So there is effectively
3 some double counting in there?

4 A Not really, no. The
5 total course -- full course load would be in the
6 neighborhood of 26. The sociology sector of that --
7 the sociologically related sector of that would be in
8 the neighborhood of 15.

9 Q How long did your M.A.
10 take in full time studies?

11 A I took one year of course
12 work -- full course work -- with four months of
13 summer employment. Following that, I undertook a
14 full year -- a 12 month period of research. After
15 that time, I began work with the Government of the
16 Northwest Territories and finished off my thesis
17 after -- during the time that I was in employment here.

18 Q You were able to get
19 three majors in that course as well?

20 A Yes. It was again,
21 a very flexible kind of a pattern. Resource areas were
22 open. Community development areas were open and
23 recreation planning areas were open. In effect, I
24 took all three of those areas of study. I also could
25 have programmed in other areas; environmental planning
26 and a number of others.

27 THE COMMISSIONER: It was
28 a growth industry at the time?

29 A Yes, it certainly was.
30 Things were really happening at the University of

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 Waterloo during that period. There was a good deal of
2 opportunities in programming studies.

3 MR. HOLLINGWORTH: Well, now
4 in preparing for this paper, I take it that you checked
5 the references that are listed on page 15 of your
6 paper?

7 A Yes, I did.

8 Q Among those number two
9 was a telephone conversation and number five were
10 several personal conversations.

11 A Yes.

12 Q And number six, I am
13 unable to see what it is. It doesn't seem to be a paper.
14 Is that conversations as well?

15 A Yes, that is a conversa-
16 tion as well.

17 Q All right. Did you
18 study anything else in the preparation of this paper?

19 A Yes, I certainly have
20 studied a good deal through my period of employment
21 within the Northwest Territories and in my employment
22 before and after. I didn't feel that I should bring in
23 a lengthy set of references. I referred specifically to
24 the items that were referred to in the report itself.
25 I didn't bring in the items that built up a philosophical
26 concept or a positional approach.

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 Q Well, maybe I should
2 rephrase my question and make it less general. Did you
3 study anything else that had particular reference to
4 the Mackenzie Valley Pipeline or to this Inquiry?

5 A In what manner?

6 Q Well, for instance did
7 you read the application of either Foothills or Canadian
8 Arctic Gas?

9 A No, I didn't read the
10 applications. I did review a good many of the newspaper
11 articles and the television and radio reports that
12 have come through this particular Inquiry, and am some-
13 what familiar with those applications but I did not
14 read them in full.

15 Q You're familiar with them
16 from newspaper reports and radio and television reports.

17 A Generally, yes. I'm
18 familiar with the concepts that are proposed. I'm not
19 familiar with the technical details.

20 Q And apart from the
21 references to Dr. Hobart, perhaps, did you read any
22 of the transcripts of the Inquiry?

23 A A few, but very few.
24 I didn't have full access to the transcripts, and I
25 had to rely on copies that could be forwarded to me
26 at various times.

27 MR. HOLLINGWORTH:

28 Well, sir, Mr. Commissioner,
29 I have a bit of a problem, with Mr. Kyllo's evidence.
30 In the first place, I got it yesterday.

In the second place, I

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 understood when the evidence commenced that he was
2 dealing with social and recreational situations, both
3 present and forecast, in the Mackenzie, and I think I'm doing fairness
4 to Mr. Kyllo in saying that he's taken a somewhat
5 wider approach than that in his evidence. For
6 instance, he's dealt with the likelihood of the success
7 of the Nortran program, and several other instances
8 like that dealing with the oil and gas industry on the
9 basis of his experience, with that industry which ended
10 several years ago. Should I, sir, proceed on the
11 basis that all this evidence is to be accepted as
12 if Mr. Kyllo were an expert in all the matters he
13 touches? Or should I restrict my cross-examination to
14 northern life and leisure?

15 MR. BAYLY: Well, Mr.
16 Commissioner, if Mr. Hollingworth is asking that we
17 bring Mr. Kyllo back because he's not fully prepared
18 to cross-examine him, he should make that motion and
19 we haven't produced his evidence within the time and
20 you are free to rule, sir, that he could be
21 brought back. I'm not quite sure what he's asking for
22 Sir, that's what I'm concerned with.

23 THE COMMISSIONER: Excuse me,
24 Mr. Bayly, I was wondering the same thing as Mr.
25 Hollingworth, as we went through Mr. Kyllo's evidence.
26 I assumed that he was speaking as someone familiar
27 with the need for and opportunity for northern
28 recreation and leisure. Now, he's had experience
29 in the oil and gas industry back in the '60s, as I
30 recall, and he made some statements that he no doubt

1 has thought very deeply about, and ^{that} he wished to make
2 about the impact generally of pipeline construction,
3 opportunities for native employment and so on.

5 Are you going to urge this Inquiry when we reach the
6 final submissions to accept Mr. Kylllo's evidence on these
7 other matters as evidence to be weighed up along
8 with the evidence of the other witnesses we've heard
9 in the field, or will you simply be urging the Inquiry
0 to accept his evidence in the field of recreational
1 and leisure opportunities? I think that's a fair
2 question.

Mr. Kylo has said that he worked in gas operations as a gas plant operator and has lived in gas producing and oil producing communities. He makes no more claim to expertise in that area than that. There's no suggestion on his part that he offers more than comment resulting from that on the evidence of in the case of Dr. Hobart and other persons who is a sociologist who has taken the opinions of others, who is not an expert in oil and gas operations, as a person who's worked on them, and raised a theory. Now, --

THE COMMISSIONER: I take it

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 what you're saying is that you do intend to rely on
2 his evidence in all those spheres, and if that's what
3 you're doing, fine. But just so long as we know.

4 MR. BAYLY: Mr. Commissioner,
5 I don't want to say now that I am going to argue that
6 -- argue anything at this point. I am suggesting,
7 sir, that it's open to you to weigh the evidence based
8 on the expertise of the witnesses or lack of it. It's
9 open to Mr. Hollingworth at the end of the day to
10 say that Mr. Kyllo's opinion on the Nortran program
11 should be disregarded, because he's not an expert.
12 He's cross-examined him on his credentials obviously
13 with that in mind. What I'm concerned with is ^{if} the
14 real point that Mr. Hollingworth is trying to make is
15 that he's not ready to cross-examine him, he should
16 make that kind of motion. If he's trying to say that
17 this man should be disqualified as an expert in
18 certain areas, then he should make that motion, and
19 I don't know what he's doing.

20 THE COMMISSIONER: Well, Mr.
21 Steeves, you were about to --

22 MR. STEEVES: Well, I have an
23 even better story than Mr. Hollingworth. I just
24 got the evidence when the witness was giving it.
25 I would like to adjourn. In view of what my friend said
26 I would like to cross-examine Mr. Kyllo on that area
27 which appears to be outside, I'm sorry, that area where
28 his evidence is in conflict with the evidence tendered
29 by Arctic Gas.

30 THE COMMISSIONER: All right,

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 does it make any sense, Mr. Goudge, to adjourn until
2 tomorrow morning and to see if this can be sorted out?
3 If the cross-examination can continue tomorrow morning
4 it shouldn't take very long, and then we come to your
5 evidence, I think, Mr. Sigler. I would rather start
6 with new evidence in the morning.

7 MR. GOUDGE: Yes.

8 THE COMMISSIONER: We're
9 obviously not getting very far now.

10 MR. GOUDGE: Well, I say that
11 it does make some sense, and I say that reluctantly
12 because I was going to submit that it does seem to
13 me to make much more sense from the point of view of
14 the understanding of all of us, to begin each day with
15 a fresh slate and to allow these gentlemen to escape,
16 if they can, without having to come back tomorrow.
17 However, I take it from what both Mr. Hollingworth
18 and Mr. Steeves say that they would require at least
19 a little while in order to --

20 THE COMMISSIONER: Well, Mr.
21 Steeves has said that he only got the evidence this
22 afternoon. He's asked for an adjournment until tomorrow
23 morning to cross-examine .

24 MR. BAYLY: I don't think that's
25 quite fair, sir.

26 MR. STEEVES: Well, I'm sorry.

27 MR. BAYLY: Yes, he's
28 received two copies now, sir, and maybe it's the end
29 of the day and --

30 MR. STEEVES: I'm not ready to

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 cross-examine. I'd like to adjourn until tomorrow.

2 MR. HOLLINGWORTH: I agree with
3 the fresh slate procedure too, sir. My only point was
4 that if in fact we were going to disregard some of
5 Mr. Kyllo's remarks, then I could immediately pass
6 on further questions and help out the Inquiry in that
7 respect.

8 THE COMMISSIONER: O.K. Well,
9 if you gentlemen understand, everybody sitting at that
10 table always has a plane to catch and --

11 MR. BAYLY: I think these
12 witnesses are both prepared to stay until tomorrow and
13 have made their reservations accordingly, sir.

14 MR. STEEVES: I have certainly
15 no questions of the gentlemen on the left.

16 THE COMMISSIONER: Well, I
17 think if you both wouldn't mind being back at 10 A.M.
18 we'll just carry on.

19 (PROCEEDINGS ADJOURNED TO AUGUST 19, 1976)
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347
M835
Vol. 172

AUTHOR

Mackenzie Valley pipeline inquiry:

TITLE

Aug. 18, 1976 Yellowknife, NWT

DATE DUE

BORROWER'S NAME

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M835

Vol. 172

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MACKENZIE VALLEY PIPELINE INQUIRY

Government
Publications

IN THE MATTER OF APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

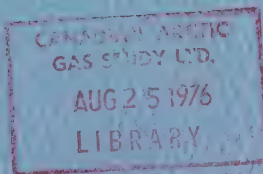
(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

August 19, 1976.

PROCEEDINGS AT INQUIRY

Volume 173



1 APPEARANCES:

2 Mr. Ian G. Scott, Q.C.,
3 Mr. Stephen T. Goudge,
4 Mr. Alick Ryder, and
5 Mr. Ian Roland, for Mackenzie Valley Pipeline
6 Inquiry;

7 Mr. Pierre Genest, Q.C.,
8 Mr. Jack Marshall,
9 Mr. Darryl Carter, and
10 Mr. J.T. Steeves, for Canadian Arctic Gas Pipe-
11 line Limited;

12 Mr. Reginald Gibbs, Q.C.,
13 Mr. Alan Hollingworth, and
14 Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;

15 Mr. Russell Anthony,
16 Prof. Alastair Lucas and
17 Mr. Garth Evans, for Canadian Arctic Resources
18 Committee;

19 Mr. Glen W. Bell and
20 Mr. Gerry Sutton, for Northwest Territories
21 Indian Brotherhood, and
22 Metis Association of the
23 Northwest Territories;

24 Mr. John Bayly and
25 Miss Lesley Lane, for Inuit Tapirisat of Canada,
26 and The Committee for
27 Original Peoples Entitle-
28 ment;

29 Mr. Ron Veale and
30 Mr. Allen Lueck, for The Council for the Yukon
31 Indians;

32 Mr. Carson Templeton, for Environment Protection
33 Board;

34 Mr. David H. Searle, Q.C.
35 for Northwest Territories
36 Chamber of Commerce;

37 Mr. Murray Sigler and for The Association of Municipi-
38 Mr. David Reesor, palities;

39 Mr. John Ballem, Q.C., for Producer Companies (Imperial,
40 Shell & Gulf);

41 Mrs. Joanne MacQuarrie, for Mental Health Association
42 of the Northwest Territor-
43 ies.

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347
M835
Vol. 73

I N D E XPage

WITNESSES FOR C.O.P.E.:

Leo KYLLO

Douglas DITTRICH

- Cross-Examination by Mr. Steeves

- Cross-Examination by Mr. Hollingworth

- Re-Examination

26891

26925

26955

WITNESSES FOR ASSOCIATION OF MUNICIPALITIES:

John M. LAINSBURY

Frank J. DUSEL

R.N. DALBY

- In Chief

26969

EXHIBITS:

692 Imperial Oil Ltd. Memo, Rempel to Mainland,
February 4, 1976

26923

693 Letter, J. Ballem to Commission Counsel,
May 7, 1976

26923

694 Letter, J. Ballem to Commission Counsel,
May 10, 1976

26924

695 Letter, J. Ballem to Commission Counsel,
June 11, 1976

26924

696 Letter, J. Ballem to Commission Counsel,
May 18, 1976

26924

697 Memo, Stephen to Fyles, May 7, 1976

26924

698 Judgment re Interprovincial Pipe Lines
Oil Spill, September 11, 1974

26924

699 Letter, Virtue to Commission Counsel,
June 30, 1976

26924

700 Employment Agreement, Cominco & United Steel-
workers, February 8, 1971

26924

701 "Building in the North" by Van Ginkel

26924

702 Qualifications & Evidence of Lainsbury,
Dusel & Dalby

27001

703 Mackenzie Valley Pipeline Community Impact
Study, December 1975

27001

1 Yellowknife, N.W.T.

2 August 19, 1976.

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Are we all
5 set?

6 MR. GOUDGE: Yes sir, we are.
7 Before we begin with the continued cross-examination
8 of the panel, I would like to put on the record a
9 number of matters that have accumulated over the
10 last month or so relating to undertakings that have
11 been made in the Inquiry.

12 We've been supplied at our
13 staff's office in Ottawa with certain reports from
14 Imperial Oil that we asked them for when we were in
15 Inuvik, and to let the participants know what those
16 are I will file with Miss Hutchinson a letter from
17 Mr. Rempel, which sets out the documents that we have.
18 They relate to an example of a Wildlife Service permit,
19 three studies on winter road use, and six studies on
20 oil spills on ice and snow. The titles of the
21 reports that we now have in Ottawa are in this
22 document and the participants can examine them. They
23 are all, I think, public documents.

24 Secondly, questions were
25 asked of the producers in Inuvik as to employment and
26 employment percentages filled by a variety of sources.
27 We've received a reply from Shell Oil which was filed
28 in May. Mr. Ballem has supplied us now with replies
29 from Imperial Oil and Gulf Oil, and I would propose
30 to file two letters from him, one dealing with each

1 company.

2 Thirdly, at the southern
3 hearing in Calgary, requests were made of Mr. Sider,
4 who appeared for Gulf Oil, to supply certain employ-
5 ment data. He in turn has expedited for us information
6 from Gulf Oil and Imperial Oil, with similar data to
7 follow from Shell, concerning employment statistics.
8 A letter from each of Gulf and Shell responding to
9 the information requested in Calgary, as well, I propose
10 to tender as an exhibit.

11 Then Dr. Stephen, as you
12 recall, sir, was called as a witness by Commission
13 counsel.

14 THE COMMISSIONER: Excuse me,
15 Dr. Stephen?

16 MR. GOUDGE: Dr. Stephen, yes,
17 he was on our environmental panel sometime ago. He's
18 with the Canadian Wildlife Service in Edmonton.

19 THE COMMISSIONER: Dr. Stephen,
20 yes, yes, yes.

21 MR. GOUDGE: It's my pronunciation
22 sir. Mr. Bayly made a request of Dr. Stephen concerning
23 a Chevron permit. I propose to table Dr. Stephen's
24 letter to Dr. Fyles in reply to that request of Mr.
25 Bayly.

26 Then Dr. Stephen, when he was
27 here in giving his evidence, has advised us subse-
28 quently that that evidence contained an error. It's a
29 minor matter but I should bring it to the attention
30 of the participants, at page 21108 of the transcript,

1 he was being asked by Mr. Bayly about prosecutions
2 relating to oil line breaks, and he referred to an
3 example of a break near Killam, Alberta, and said that
4 in that case there was no prosecution. In fact, there
5 was a prosecution but it was unsuccessful. I have a
6 copy of the judgment which I would propose to file
7 that resulted in an acquittal there. There are brief
8 reasons and Mr. Bayly might like to look at them.

9 Then, sir, when the Nortran
10 panel was here, Mr. Virtue was asked a number of things
11 and was asked to prepare responses on a number of mat-
12 ters by some of the participants, and has supplied us
13 with a letter containing six enclosures -- the Dacum
14 booklet, which Mr. Bell requested; a summary list of
15 current applicants by home settlement; comments on
16 alcohol abuse, family relationships, money, discrimina-
17 tion; suggestions on components of an orientation
18 program, and outline of their present program; sugges-
19 tions on a manpower delivery system; and estimated
20 training costs, and I would propose to file that
21 document as an exhibit.

22 Then we made reference in
23 cross-examination some time ago to the agreements that
24 have been brought into effect in relation to the
25 Pine Point project and the Syncrude project, and we
26 have copies of each of those, which I would propose
27 to file.

28 Finally, we've received from
29 Mr. Steeves, and I would propose simply to file it,
30 and make it part of the record, a copy of the Van Ginkel

1 study, "Building in the North," it's a two-volume study.
2 I would propose to file that.

3 Those are the exhibits I pro-
4 pose to tender, sir.

5 There is one other matter and
6 that is you'll recall when Mr. Bean gave evidence on
7 behalf of the Brotherhood we were directed by you, sir,
8 to determine the validity of a letter which was attached
9 to his evidence purporting to be from Commissioner
10 Hodgson, a letter of October 8, 1971. We've enquired
11 and the response we received from the Commissioner is
12 that it does indeed appear to be a letter, the original
13 of which he signed.

14
15 LEO KYLLO,

16 DOUGLAS DITTRICH, resumed:
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2 MR. HOLLINGWORTH: Mr. Commissioner,
3 Mr. Steeves has agreed to proceed me in cross-examination.
4 Perhaps before he does I could introduce to you, for
5 the sake of the record my associate Mr. Ian McLaughlin,
6 who will be standing in from time to time until the end
7 of the Inquiry.

8 MR. STEEVES: I'm sorry, your
9 mike is dead, I can't hear you.

10 MR. HOLLINGWORTH: I'm just
11 introducing my associate for the sake of the record and
12 I stated that you agreed to proceed me.

13 MR. STEEVES: All right.
14 CROSS-EXAMINATION BY MR. STEEVES:

15 Q All right, Mr. Kyllo,
16 am I pronouncing your name correctly?

17 WITNESS KYLLO: Yes.

18 Q Thank you. Is it fair
19 to say that your paper and your evidence is divided into
20 two parts? One is your analysis of the evidence given
21 by the applicants, particularly Arctic Gas, as to the
22 employment opportunities and training facilities for
23 northerners in connection with wage employment in the
24 north, and the other, the second part has to do with
25 leisure and recreation in the north and the place of
26 leisure and recreation in social adjustment.

27 A Yes. I think that's
28 basically true. I don't feel that you can compartmentalize
29 the recreational and leisure situation from the social
30 situation. Therefore, I thought it was imperative that
I dealt with some of the social -- the broader social

Kyllow, Dittrich
Cross-Exam by Steeves

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2 concerns and the evidence that I had at hand that
3 pertained to social conditions that is expected in the
4 north.

5 Q Well, I'm going to
6 direct my questions to you on the first topic or general
7 subject if I may. That is, what you have to say about
8 employment and training for employment in the north.
9 Okay?

10 Now, have you -- I'm interested
11 in how much research you did in the area I'm concerned
12 with. Have you kept a record of the time you spent
13 in preparing your evidence?

14 A I haven't recorded
15 the time, but I have been working on it since last
16 January as some of the people from COPE can substantiate.
17 It has taken several months to prepare. I haven't
18 detailed a lot of the background data that has gone
19 into the study. The references were only the direct
20 quotes or references to specific material which I was
21 using within the body of the report.

22 Q Are you satisfied, your-
23 self that you've done a thorough job of research on the
24 area that I'm interested in?

25 A I would expect that it
26 is reasonably thorough, with the amount of material
27 that I had available to me. Now, I didn't have available
28 the transcripts of the hearings or all of the testimony
29 or the evidence that was supplied to this Inquiry,
30 therefore, I didn't have the -- for instance, the cross-

1
2 examination on Dr. Hobart's material. I didn't have
3 that to go into. I didn't have the transcripts relative
4 to Nortran, so there were some limitations there, but
5 in respect of the material and evidence that I did have
6 available, I'm quite confident that it's a reasonably
7 complete job.

8 Q Did you ask for those
9 transcripts?

10 A I didn't really request
11 them from the Inquiry because I didn't have the time
12 or the access to this material, within my job situation.
13 I prepared this report as a private citizen really and
14 I was holding down a permanent position which is rather
15 time consuming as well. It certainly does not have the
16 advantage of a long period of intense study of that
17 particular material but it did concentrate upon the
18 testimony, in particular, or the evidence that was
19 supplied to the Inquiry by Dr. Hobart.

20 Q Well, I'm sorry, you
21 knew when you were reading Dr. Hobart's evidence, that
22 he would be cross-examined by various parties here and
23 that there would be a great deal of more evidence given
24 by him about the subject he was addressing himself to.

25 A Yes. I was aware that
26 there would be cross-examination but I was not familiar
27 with how extensive that cross-examination might be.

28 Q Did you try and find out?

29 A Not in detail, no, because
30 I didn't have the access again, to the materials. It's

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a matter of a good deal of distance and a good deal
of time that was not really available to me.

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Kyllo, Dittrich
Cross-Exam by Steeves

1 Q Well are you still
2 satisfied that what you have said in evidence yesterday
3 and in this paper reflects a thorough job of research?

4 A Yes, I'm --

5 Q Excuse me what -- you have
6 told me about the research you did into the evidence
7 actually given in this Inquiry seems ^{to me} to indicate that
8 you didn't do a thorough job.

9 A I am reasonably confident
10 that it reflects a position that is adequately
11 researched that has a reasonable basis in fact.

12 Q How can you state --
13 I beg your pardon for interrupting.

14 A It has a reasonable
15 basis in fact.

16 Q You are living in a
17 suburb of Edmonton now, are you not?

18 A Yes and that suburb of
19 Edmonton is again an oil town -- the town of Devon.
20 I'm in close contact with a good many people in the oil
21 industry as yet.

22 Q Where were you living
23 when you prepared your evidence?

24 A In the town of Devon.

25 Q Did you check with the
26 Edmonton Public Library to see whether or not these
27 transcripts were available to you?

28 A No, I did not.

29 Q Did you check with
30 anybody?

1 A I have checked with
2 people in the COPE office just basically.

3 Q And they told you that
4 they were available or they weren't available?

5 A They mentioned that they
6 had the material but, that it was an expensive and
7 time consuming process to get the full material to me.

8 Q You mean that you did have
9 the time. You did ask for the transcripts but they told
10 you it would --

11 A No, I didn't ask specifical-
12 ly for the transcripts. I asked for a background
13 information that would be in their opinion relevant.
14 They did provide me with a rather substantial package
15 of that. But not with the full transcripts of the
16 Inquiry itself.

17 Q I want you to tell me
18 please how the conversation arose where you were told
19 by COPE that something would cost too much money or
20 would be expensive. What context did that conversation
21 arise from?

22 A I am not so sure it was
23 a direct conversation. It was probably just a dis-
24 cussion on the preparation of evidence and the background
25 research that would be necessary to go into it.

26 MR. BAYLY: Mr. Commissioner,
27 I think Mr. Steeves has gone far enough into that
28 particular point and I am going to instruct the witness
29 not to answer any more questions on the preparation of
30 evidence as such and the mechanics of it.

Kyllo, Dittrich
Cross-Exam by Steeves

1 MR. STEEVES: I am going to
2 appeal that ruling.

3 MR. BAYLY: We haven't had
4 one yet I don't think.

5 MR. STEEVES: I thought you
6 just gave one.

7 MR. BAYLY: I just wonder
8 where this is getting us sir. The man has said that
9 he did not read the cross-examination beforehand.
10 Steeves has certain questions that are brought in
11 cross-examination that make the opinions and statements
12 in this evidence incorrect or that it was based on
13 false premises. He should put those.

14 THE COMMISSIONER: Well are
15 you pursuing this Mr. Steeves either to appeal or
16 some other --

17 MR. STEEVES: Well I would
18 like to get to the point of obstinacy of it. Have
19 we reached that point yet?

20 Let me turn now at the
21 direction of your counsel to what I might call the
22 merits of your evidence. I'd like to turn first of
23 all to a statement in your evidence. Do you have it
24 in front of you sir -- your written evidence?

25 A Yes, I do.

26 Q Thank you. Would you
27 pick it up please at the bottom of page seven, the
28 effects of southern people on northern communities.
29 Go to the top of page eighth. I am really interested
30 in what you say there in that first and second paragraph.

1 Are you familiar with it or would you like to read it
2 over?

3 A Yes. No, I am familiar
4 with the material.

5 Q Pardon me?

6 A I am familiar with the
7 material.

8 Q Now you say at the top
9 of page eight and you are talking here about what
10 happens when southern people come to northern areas:

11 "The experience in Alaska has been that many
12 bring their problems with them."

13 You cite Anchorage Planning Department of 1975, page
14 19. That's a report. You say:

15 "This document outlines the problem of venereal
16 disease, mental health; family breakdown, drug
17 abuse, alcoholism, crime, violence and
18 prostitution that have accompanied pipeline con-
19 struction."

20 Do I understand sir from that and the context in which you
21 spoke that statement that it is your understanding and
22 your view that venereal disease was not a public health
23 problem in Alaska before the the Alyeska
24 project started?

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Killo, Dittrich
Cross-Exam by Steeves

1 A According to the report
2 it was not as substantial a problem beforehand as it
3 is now, the influx of population and I suppose the
4 change of lifestyles has increased the problem from
5 that point.

6 Q Well, what about mental
7 health? Now am I to understand you're telling us
8 from your quotation in this context that in your view
9 mental health was not a public health problem in Alaska
10 before the project started?

11 A Well, it certainly was
12 a problem, but there again, not as substantial a pro-
13 blem, according to the people who prepared this
14 report, as it has been since the influx of development
15 and people into the Anchorage area.

16 Q A lot more people have
17 come into Alaska and there has been a tremendous in-
18 crease in the population of Alaska. Can you tell me
19 whether or not the increase you refer to and this
20 report refers to on these various items -- crime,
21 drugs, alcohol, violence, family breakdown, mental
22 health and so on -- has increased more, or the same,
23 or less than the increase in population?

24 A I'm not so sure that
25 there's a direct relationship, that the increase in
26 population is accompanied by a direct increase in
27 these particular problems. There are many intervening
28 factors, many relationships that have to be considered,
29 and Dr. Dixon mentioned yesterday that the direct
30 increase in specific problems is not necessarily

Kyllo, Dittrich
Cross-Exam by Steeves

1 attributed to the level of population that is within
2 this specific area, or the increase in population
3 within this specific area. Very often there are other
4 factors such as the work schedules that people are
5 afflicted with that do relate to such things as mental
6 health, to family problems, child abuse problems, and
7 such.

8 Q I'd like you to attend
9 to my question now, if you will. Has the incidence of
10 the various things you cite in that sentence --

11 M. STEEVES: Are you
12 working out your cross-examination or your objection?

13 THE COMMISSIONER: It's just a
14 discussion about an appeal.

15 M R. STEEVES: Q I'd like you
16 once again to attend to my question. You say what
17 happened in Alaska has been an increase in a whole
18 spectrum of social problems.

19 A According to the report.

20 Q Just a minute, let me
21 finish, please, and I will really try not to interrupt
22 you and we'll both get along better. You say the
23 result of Alyeska in Alaska has been an increase in
24 a whole spectrum of social problems, and you list
25 them at the top of page 8. Has this increase been
26 greater than the increase in population as a result of
27 the Alyeska Pipeline?

28 A According to the report
29 cited in the testimony prepared by the Planning
30 Department of the City of Anchorage, the increase has

Kyllo, Dittrich
Cross-Exam by Steeves

1 been from my impressions, greater than the direct
2 increase in population, that there has been perhaps
3 a reasonable increase over and above what might be
4 expected with the population itself.

5 Q Well, sir, I --

6 A And according to that
7 report, part of that problem is due to the fact that
8 many of the people who come, have come to Alaska, have
9 had problems in their previous locations; whether
10 these were family problems, mental health problems or
11 whatever, and they have brought those problems to
12 Alaska as well. They did not leave their problems
13 behind.

14 Q I prefer not to have
15 your impressions, if that's possible, in this area.
16 What does the report specifically say on that question?

17 A Well, it deals with --

18 Q Was the increase in
19 these things overall greater than the increase in
20 population, or does it make any statement about that
21 question?

22 A It deals with a number
23 of items, many of which I have itemized in the report,
24 and the increase in some of those is rather substantial
25 and in others is not as substantial; and to say that
26 the increase is greater or less than the expected
27 increase according to population growth is virtually
28 impossible to detail unless some means of assessing
29 the relationship between the various problems is
30 brought into the picture, and I don't think that means

Kyllo, Dittrich
Cross-Exam by Steeves

1 of relating those problems is presently within our
2 capability.

3 Q O.K.

4 A We do not have the
5 capability at the moment of adding the apples and
6 oranges, according to the various problems that are
7 evident.

8 Q So to get along as far
9 as we can, what you're telling me is that you don't
10 know what position is or was in Alaska in any cumulative
11 sense, is that correct?

12 A I don't think that the
13 cumulative sense in broad social problem terms can be
14 specifically defined because of the differences in
15 many of the problems, and the differences in relation-
16 ships between those.

17 Q And these are the differ-
18 ences vis-a-vis Alaska and the Northwest Territories
19 is that correct?

20 A Pardon me?

21 Q What are these differences
22 you're talking about? Between the individual problems?

23 A Between the individual
24 problems, yes, the problems related to mental health
25 and its relationship to population growth might be
26 substantially different than those related to venereal
27 disease in population growth, so I don't think we can
28 add those specific problems together and come up with
29 a cumulative total, because the total is not adding
like problems.

Q Am I to understand from
your evidence in this area that you were telling us
that what has happened in Alaska, that being the
new people that moved into Alaska have brought a whole
bunch of social problems, will be exactly the same if
a project goes ahead in the Northwest Territories?
Is that what you're telling us?

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 A No, I'm not suggesting
3 it will be exactly the same but I think there are parallel
4 that we should be aware of and that there are experiences
5 that have been evident in the Alaska situation through
6 which we should be able to learn. We should be able to
7 take advantage of the problems and difficulties in
8 Alaska, learn from those and try to prepare a situation
9 which will alleviate some of those, given the development
10 of the pipeline in the Northwest Territories.

11 Q All right. What you say
12 is the effects of pipeline construction on the Mackenzie
13 Valley will be much more severe.

14 A The effects on the Mackenzie
15 Valley will, I feel, be much more severe than the effects
16 that were felt by the city of Alaska because of the
17 small communities that will be impacted and the isolated
18 condition and the unsophisticated relationship of those
19 communities.

20 Now, in some cases, that might
21 not be entirely so, and Dr. Dixon mentioned yesterday
22 that some of the communities in Alaska that had a very
23 strong cultural identity and an ability to determine
24 their own fate, did withstand the impact of the pipeline
25 very adequately. Other communities that were more
26 fragmented in their condition, their social condition,
27 were very severely impacted. She mentioned that the
28 city of Anchorage was -- had a greater degree of ability
29 to withstand the impact because of its larger size and
30 its more sophisticated position than did the town of

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 Fairbanks.

3 Q Have you read the
4 application of Arctic Gas?

5 A No, I have not read it
6 in detail.

7 Q Do you know whether or
8 not anywhere in any of the material filed by Arctic
9 Gas or in the evidence given at this Inquiry by Arctic
10 Gas, any plans or -- I'm sorry, any perception of the
11 problems of construction workers in small communities
12 and how that will be dealt with has been set out?

13 A Well, the proposal that
14 I'm familiar with has been to isolate the construction
15 crews from the Mackenzie Valley communities.

16 Q From all Mackenzie Valley
17 communities?

18 A Not all.

19 Q How many?

20 A Well the majority except
21 for the major distribution points.

22 Q M-hm.

23 A And I'm not entirely
24 familiar with all of the details, but if my memory
25 serves me correctly, those specific jumping off points
26 were to be Hay River, I believe Fort Simpson and Inuvik.

27 Q Yes. Is that all?

28 A As far as my memory
29 serves me, yes.

30 Q When you read that, and

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 you read it in the application I take it.

3 A No, I didn't read it
4 in the application.

5 Q Where did you read it?

6 A I read it in
7 some of the summaries of material that did come from
8 the hearings, from the Inquiry.

9 Q And did any questions
10 occur to you about whether or not that policy would
11 work?

12 A Certainly.

13 Q Did you assume that
14 those questions would be raised by intelligent counsel
15 in cross-examination?

16 A I certainly hoped so.

17 Q Did you look and try and
18 find out whether or not they were?

19 A I didn't have the access,
20 again, to the transcripts or to the --

21 Q I want to turn now to
22 your statement, which is recorded at page two of your
23 evidence, and you say in the middle of page two, the
24 impending industrial development hanging over the north
25 will, I feel, bring about many imposed changes in
26 northern lifestyles and I take it, when you refer to
27 impending industrial development, you're talking not
28 just about a gas pipeline, you're also talking about
29 gas exploration and production activity. You're talking
30 about oil exploration and production activity. You're

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 talking about all of the associated economic activity
3 which will come with those activities and you're talking
4 about industrial development generally in the north,
5 am I right on that?

6 A Yes. I believe the
7 following paragraph outlines that.

8 Q Yes, and what you're
9 foreseeing, I take it, is a great deal of industrial
10 development, separate and apart or in addition to the
11 gas pipeline itself.

12 A Yes, and I mentioned
13 that one cannot consider one item of development in
14 isolation, that one has to consider the series of
15 developments and their total impact somewhat as
16 being a product rather than the sum of the individual
17 impacts.

18 Q But it would seem from
19 your evidence, as I understand it, that you see the
20 pipeline or the gas pipeline, either Foothills or
21 ARctic Gas, as the beginning of this massive development.
22 Am I correct in that?

23 A It would be the major
24 thrust which would allow the continued development to
25 take place. I'm aware that there's been a good deal
26 of exploration and deliniation of gas and oil deposits
27 within the north, but at the moment, there's no way of
28 getting those to market. The gas pipeline provided
29 by either firm would have then, would open up the
30 markets, therefore opening up further exploration and
development of the existing reserves.

Kyllo, Dittrich
Cross-Exam by Steeves

1 Q But in addition to all
2 that, there would be all sorts of activity taking
3 place?

4 A Yes, there would be a
5 great deal of service industry for instance serving
6 the oil and gas operations. The service industry
7 could reach anywhere from supply to the oil and gas
8 operations, the general camp provisions and such
9 right through to direct oil field service through the
10 operation of acidizing companies, and fracturing
11 companies and oil well service rig outfits;
12 a large number of service operations of that nature.

13 Q We understand
14 each other on that. I am talking about in addition to
15 that. To build a gas pipeline to find the gas, you
16 need improved transportation facilities.

17 A Definitely.

18 Q Improved transportation
19 facilities will require more jobs in that sector. They
20 will also provide better access, easier development of
21 other natural resources.

22 A Yes.

23 Q Whether that's good or
24 bad, that's going to happen. We both agree on that
25 don't we?

26 A Well we agree that if the
27 pipeline goes ahead that a good many of these other
28 things are going to come about, certainly.

29 Q Now, you are very
30 critical of Dr. Hobart on page three. You are very

Kyllo, Dittrich
Cross-Exam by Steeves

1 critical of this statement, the third line from the
2 bottom.

3 "The pipeline would make massively available this
4 variety of opportunities."

5 Do you remember the context in which Dr. Hobart made
6 that statement?

7 A Yes. He was reviewing
8 the expected social impact on the communities of the
9 Mackenzie Delta and in conclusion, his paper summed
10 up the situation by stating that the damage has already
11 been done and/or is perpetuated and deepened by
12 dependency, welfarization and the lack of opportunities
13 for employment and opportunities to act independently,
14 self-sufficiently and consequentially. The pipeline
15 would make massively available this variety of
16 opportunities. That was his --

17 Q It's the words "the pipeline
18 will make massively available this variety of
19 opportunities" that you quarrel with, is it? You said
20 that's wrong. In fact, you say it's false.

21 A I say that there are
22 more things that enter into the social condition of
23 the northern people than only job opportunities. I
24 don't think that you can attribute the improved -- the
25 expected improved conditions entirely to job opportuni-
26 ties. It's a much broader thing than just the provision
27 of the wage economy.

28 Q Page four:

29 "The provision of massively available employment
30 opportunities to northerners is, in my opinion, more

Kyllo, Dittrich
Cross-Exam by Steeves

1 of a myth than a reality."

2 I read that or hear that as a statement by you and in
3 your opinion Dr. Hobart is mouthing a myth. Am I
4 correct?

5 A I think the "massively
6 available opportunities" as he referred to in connection
7 with the pipeline is more of a myth than a reality.

8 Q Do you understand that he
9 was referring to both direct and indirect employment?

10 A According to the statement
11 that was in the document that I had reviewed, his
12 statement directly to the pipeline itself.

13 Q Well let's assume that he
14 was referring to direct and indirect employment. Now
15 what have you to say about his statement?

16 A I would say that there is
17 certainly a much broader range of employment opportunity.
18 Some of that opportunity within perhaps the transportation
19 industries or the service industries that will be required
20 are the unskilled kinds of positions for which the
21 unskilled northerners could qualify. Others are very
22 much more skilled positions for which the northerners
23 have presently not been adequately trained.

24 Q Do you know and understand
25 the evidence that this Inquiry has heard about the
26 employment opportunities, both direct and indirect, that
27 will come if a pipeline is built?

28 A Yes, I am aware of --

29 Q Do you understand the
30 quantity, the number of jobs, the kind of jobs, the

Kyllo, Dittrich
Cross-Exam by Steeves

1 particular sector in the economy -- the particular
2 sectors in the economy -- that these jobs will become
3 available in?

4 A Yes, I am aware of many
5 of those. I am aware for instance that the pipeline
6 construction within either of the applications is
7 expected to produce in the neighborhood of 6,000 jobs.
8 That this construction period would last not only
9 through the initial pipeline development but it would
10 also extend for some years beyond -- probably for a
11 total of ten years with the provision of looping
12 facilities and such. That there would be a pipeline
13 construction to connect the gas fields and the gas
14 wells themselves that would provide jobs. Over that
15 period of perhaps ten years, there would be a large
16 number of construction jobs.

17 I am aware in addition that the
18 gas plants that are expected in the north would employ
19 in the neighborhood of 180 people. Some of those people
20 of course would, I hope, be northerners that came out
21 of the Nortran Program if those northerners choose to
22 return to the north after their period of stay of
23 several years in the south. I am aware as well that
24 the operation of the pipeline will provide in the neigh-
25 brhood of 250 jobs I believe it is and that 80 to 90
26 of those will be rather technical jobs on the pipeline's
27 operation. Some of those positions again could be filled
28 by people from the Nortran Program if they so choose to
29 return to the north.

30 In addition, there is a good

Kyllo, Dittrich
Cross-Exam by Steeves

1 many technical or service positions, the numbers of
2 which I don't have that could be available.

3 The point that I am trying
4 to bring forth is that a good many of the positions
5 are -- especially the positions that provide the
6 equality of opportunity and the equality of career
7 that was mentioned by Dr. Hobart as being one of the
8 items that could reduce social and racial
9 tensions. That a good many of those jobs will in my
10 experience or in my opinion will be held by
11 other people. I don't feel that the northerners that
12 come through the Nortran Program presently or those
13 that are expected to come through the program in the
14 future will have the skills required, the education
15 required or the experience to be able to fit into the
16 senior management positions.

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Kyllo, Dittrich
Cross-Exam by Steeves

1 Q Isn't it your understand-
2 ing, sir, that that's what Arctic Gas is saying, that
3 they will fit in when the pipeline is built?

4 A No, I don't think Arctic
5 Gas is saying that by any means, but --

6 Q What has Arctic Gas said,
7 do you know?

8 A Well, Dr. Hobart has
9 mentioned that one of the items that he feels will
10 improve the social condition of the north, and it's
11 the social condition of the north that I am parti-
12 cularly concerned about, is the equality of positions.
13 I can quote in particular from the bottom of page 4
14 of my testimony, a quote from Dr. Hobart's evidence
15 presented in panel No. 4, and I quote:

16 "That the context for whites and natives to
17 work and interact together as equals,"
18 would be the opportunity to reduce the inter-ethnic
19 misunderstanding intention, and I'm not entirely sure
20 that that will happen because I don't think that there
21 will be enough native northerners in those higher
22 levels of positions that will be seen as equals, or
23 that they will have the opportunity to act as equals.
24 I don't think they will, for instance, provide the
25 role models to encourage a large number of native
26 northerners to look at them as the shining light of
27 the industrial development program.

28 I think they will still be
29 seen as more or less bottom or middle rungs on the
30 ladder.

Kyllo, Dittrich
Cross-Exam by Steeves

1 Q Have you read Dr. Hobart's
2 studies, any of them, on Coppermine and the Gulf work
3 force?

4 A I haven't read the
5 complete studies, no. I have reviewed portions of
6 those and I have seen some summaries of those.

7 Q Well, do you reject the
8 research done by Dr. Hobart and the conclusions he
9 reaches on those studies about the people in Coppermine
10 employed in the wage economy?

11 A There again I'm not
12 fully familiar with all the details of those documents
13 and I don't have the full conclusions at my fingertips,
14 and I'm not prepared to state whether I accept or
15 reject those.

16 MR. BAYLY: Perhaps Mr. Steeves
17 could put his conclusions to the witness, sir, and
18 see if he agrees with them. That might get us somewhere.

19 MR. STEEVES: Why don't you
20 do that in re-examination?

21 Q You don't know what Dr.
22 Hobart has done in this field, is that what you're
23 saying?

24 A Yes, I'm aware of a good
25 deal of the work that he has done.

26 Q Well, have you read any
27 of it?

28 A I've read some of it, yes.

29 Q What have you read?

30 A I've read some of the

Kyllo, Dittrich
CrossExam by Steeves

1 material --

2 Q Tell me what you've
3 read.

4 A I've read some of the
5 material that was presented for Panels No. 1 and 4
6 for this Inquiry.

7 Q Is that all that you've
8 read of Dr. Hobart's work?

9 A Which of course refers
10 to some of his additional work, some of his Coppermine
11 work, some of the work that he did in assessing
12 the Nortran program.

13 Q Is that all that you've
14 read of Dr. Hobart's work?

15 A No, I've also read some
16 of his past work, for instance I read, I've reviewed
17 rather fully some of the work that he did in Alberta
18 in relation to -- well, in particular, a 1968 study
19 relating to recreation plans within the province.

20 Q Is that all that you've
21 read of Dr. Hobart's work north of 60?

22 A The material that's
23 basically referred to in Panels No. 1 and 4, yes.

24 Q All right. On page 4
25 you say that you've talked to some people, you have
26 an association of several people at A.G.T.L. who are
27 in direct -- I'm over on page 5 -- contact with
28 northern trainees and you're using Nortran there.

29 A Yes.

30 Q You have an association

Kyllo, Dittrich
Cross-Exam by Steeves

1 with certain employees of Alberta Gas Trunk Line who
2 are in direct contact with northern trainees, and this
3 leads you to assert or say, I guess, that the accept-
4 ance of these persons by the non-natives that they're
5 working with is not as compatible as Dr. Hobart was
6 led to believe. Tell me who those persons are.

7 A No, I'm sorry, I can't.

8 Q Why not?

9 A These people have discussed
10 this matter with me in a degree of confidence, they are
11 people within the Alberta Gas Trunk Line structure who
12 might be in some degree of conflict with their position
13 if it was revealed that they had discussed this matter
14 with me. It was discussed under rather personable
15 basis, and I'm not prepared to provide to this Inquiry
16 the indications of who these people were. Their
17 impressions or their conclusions were such that the
18 Nortran program was rather thrust upon them and that
19 the actual acceptance of these people in their opinion
20 was certainly less than adequate. They thought that
21 they were being used or being placed with them more
22 as an obligation to them, rather than as a help to
23 them, and they didn't feel that the actual training
24 experiences were nearly as adequate as what we have
25 been led to believe.

26 Q I'm not interested in
27 your associates' secret conversations with you about
28 the adequacy of Nortran training. I wanted to address
29 my question in your mind to this statement.

30 "My association with certain employees

Kyllo, Dittrich
Cross-Exam by Steeves

1 of Alberta Gas Trunk Line in direct contact
2 with northern trainees leads me to assert
3 that the acceptance of these persons,"
4 namely, the trainees,
5 "is not as compatible as Dr. Hobart was
6 led to believe."

7 A Dr. Hobart's testimony
8 in one of the panels, I believe it was No. 4, had
9 indicated that the acceptance of the northern trainees
10 by the Alberta Gas Trunk Line staff was very compatible,
11 that these people were well-accepted and well-integra-
12 ted into the system. Now, Dr. Hobart received his
13 information, on my understanding, from a direct
14 interview technique with the employees of Alberta
15 Gas Trunk Line. My information was received much more
16 as a participant -- as an observation participant
17 within, with the people with whom I'm associated,
18 with Alberta Gas Trunk Line. Those people provided
19 insights into the program, in my mind, that Dr. Hobart
20 was not able to determine, according to his method of
21 information collection. I am not prepared, though, to
22 state who these people were because they might be in
23 a position where their job position could suffer because
24 of the discussions they had held with me.

25 Q Do your secret informants
26 tell you, "I don't like working with Indians. I don't
27 like working with half-breeds. I don't like working
28 with Eskimos." Is that what you're telling us?

29 A They state the situation
30 in terms such as that. They also state that they are,

Kyllo, Dittrich
Cross-Exam by Steeves

1 that the Alberta Gas Trunk Line staff are not --

2 Q I'm sorry. You don't

3 need to go on.
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Kyllo, Dittrich

Cross-Exam by Steeves

Gas

A I'd like to mention that

Q Are your informants

A No, they're not, by

Q Why don't they go to the

A Maybe they don't feel

Q And you want us to rely

A Well perhaps --

Q In accepting your evidence,

A Perhaps the avenues are

closed in some way. The avenues within the company

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 itself might not be open to the people in the technical
3 situation or the operational situation to allow them
4 to have that direct input into the training programme.

5 Q These people have all
6 told you, you musn't give my name because I might get
7 fired, is that what you're telling me?

8 A They haven't told me
9 that but I'm not prepared to give their name on that
10 condition. They have not stated that, by any means,
11 and in fact, most of the discussions that I held with
12 them were of a rather personal nature and not in -- I
13 did not inform them of the situation that I might be
14 appearing at this Inquiry and providing that sort of
15 information.

16 Q So, it's your fear, if
17 they are asked to repeat what you say they have told
18 you, they won't repeat it?

19 A They might not repeat
20 it, or if they do, their positions might be sacrificed.

21 Q How much time have you
22 spent talking to your associates at AGTL about this?

23 A I certainly couldn't
24 determine that in hours. It's been a long association,
25 over the past about six or seven years.

26 Q Well, I take it you've
27 made notes about all of this then, have you?

28 A No, I haven't made notes
29 on it.

30 Q Have you made any notes?

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A No. Very often, scientists

Q Are you familiar with

A Generally, yes.

Q All right. Do you know

A I'd say a very high

Q What is it? Don't you

A It's a much higher

Q Did you read Dr. Hobart's

A Yes, I reviewed those

Q Well, one of Dr. Hobart's

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 it wasn't available and that it was in that group of
3 people that there was going to be a disastrous situation
4 develop if wage employment was not made available. Did
5 you read that evidence?

6 A Yes, I'm aware of that
7 particular statement.

8 Q All right. First of all,
9 do you agree with the size of the problem in terms of
10 the number of people involved, that Dr. Hobart told
11 us about?

12 A I agree with the numbers
13 of young people who are -- especially in the western
14 part of the Territories, in the Mackenzie region. I
15 do not agree with his assumption or with his
16 assertion that these people do not wish to return or
17 to have a close contact with the land. You see, my
18 dealings with a good many of these people, through my
19 experiences within the recreation division, I found
20 that these people, in fact, a large percentage of them
21 did wish to remain in close contact with the land, that
22 they did -- perhaps they would like to have some employ-
23 ment opportunities, but they also wished to be able
24 to retain their close association with the land that
25 they had in the past or that they hoped to be able to
26 rejuvenate.

27 Q Well, you say, remain in
28 close contact with the land, that implies to me that I
29 should understand you as saying that this group of
30 young people that Dr. Hobart was talking about now is

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 in close contact with the land.

3 A Some of them are --

4 Q EXcuse me -- and what
5 we've heard described as the old way of life, is that
6 your understanding of the situation?

7 A Some of them are, others
8 wish to rejuvenate that association. According to my
9 experiences within the Northwest Territories, this appears
10 to be the case.

11 Q Is one of the needs, one
12 of the greatest needs for the young people in the
13 Northwest Territories, the provision of stable jobs in
14 a wage economy? Can you answer that yes or no?

15 A No, I don't feel it is.
16 I feel that one of the most necessary needs for the
17 young people in the Northwest Territories is for them
18 to develop a cultural identity that helps them to
19 exist as an individual. The provision of the mere
20 job is not adequate to do that. I think that they
21 have to have the connection with their past and their
22 future that allows them to make that step from the
23 present into the future and that can assist them in
24 becoming human individuals with a sense of identity and
25 a sense of purpose upon their own situation. I don't
26 think that the provision of a job necessarily does that.
27 I'm certainly convinced that the provision of jobs
28 within southern cultures does not necessarily do that and
29 I'm convinced also that a good many of our present
30 problems relating to things ranging from alcoholism to

Kyllo, Dittrich
Cross-Exam by Steeves

1
2 suicide in urban areas is evidence of the inability of
3 the job of the employment position being able to provide
4 the personal identity and the psychological solidification
5 that these people actually require. Therefore, I'm
6 convinced that in the north, the people who lack the
7 cultural identity even more would be in much worse
8 position^s than those in the south.

9 Q And when you're talking
10 about those lacking the cultural identity, are you
11 talking about native people?

12 A Native people --

13 Q You're isolating them
14 from the other young people.

15 A Native people, but also
16 non-native people in the north. A good many of the
17 younger non-native people are suffering the same kind
18 of an identity crisis.

Q Well what's your message

A No, I'm not saying that --

Q What are you saying?

A I'm saying that the

Q Is that the message you

A That's part of it. From

MR. STEEVES: Thank you for

MR. GOUDGE: Mr. Hollingworth?

THE COMMISSIONER: Maybe we'll

(IMPERIAL OIL LIMITED MEMO, G. REMPEL TO G.G.

MAINLAND, FEBRUARY 4, 1976 MARKED EXHIBIT 692)

(LETTER, J. BALLEM TO COMMISSION COUNSEL, MAY 7/76
MARKED EXHIBIT 693)

Kyllo, Dittrich
Cross-Exam by Steeves

1 (LETTER, J.B. BALLEM TO COMMISSION COUNSEL,
2 MAY 10, 1976 MARKED EXHIBIT 694)
3 (LETTER, J.B. BALLEM TO COMMISSION COUNSEL,
4 JUNE 11, 1976 MARKED EXHIBIT 695)
5 (LETTER, J.B. BALLEM TO COMMISSION COUNSEL,
6 MAY 18, 1976 MARKED EXHIBIT 696)
7 (MEMO, W.J.D. STEPHEN TO J. FYLES, MAY 7, 1976
8 MARKED EXHIBIT 697)
9 (JUDGMENT RE INTERPROVINCIAL PIPE LINES LTD.
10 OIL SPILL IN CAMROSE, ALTA., SEPTEMBER 11, 1974,
11 MARKED EXHIBIT 698)
12 (LETTER, C.B. VIRTUE TO COMMISSION COUNSEL
13 JUNE 30, 1976 MARKED EXHIBIT 699)
14 (EMPLOYMENT AGREEMENT, COMINCO & UNITED
15 STEELWORKERS ET AL, FEBRUARY 8, 1971 MARKED
16 EXHIBIT 700)
17 ("BUILDING IN THE NORTH" BY VAN GINKEL MARKED
18 EXHIBIT 701)
19
20 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
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Kyllo, Dittrich
Cross-Exam by Hollingworth

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 CROSS-EXAMINATION BY MR. HOLLINGWORTH:

3 Q Mr. Dittrich, as I
4 understand it, the Recreation Centre in Inuvik,
5 otherwise known as Ingamo Hall, has raised about
6 \$135,000 to date. Is that fairly accurate?

7 WITNESS DITTRICH: It could
8 be a little bit more than that. I don't have the
9 latest figures because I haven't been involved for
10 the last six months, but that's --

11 Q Sorry.

12 A Go ahead.

13 Q It's original projected
14 cost was what?

15 A 170,000, I believe.

16 Q And that's gone up
17 fairly substantially.

18 A Yes, there's been the
19 inflation factor, of course, and perhaps an unsophis-
20 ticated assessment of what it would cost.

21 Q And at the moment I
22 believe there's the walls of thick logs, and that's
23 about all.

24 A Well, I don't think it's
25 fair to put it in those terms. The logs are basically
26 the building. It's a particular work of art that's
27 being put up; it's not a job that can be rushed by
28 anyone.

29 Q I'm sorry, I have diffi-
30 culty hearing you.

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 A I said I don't think
2 it's fair to say there's only the logs, that the logs
3 are the building, basically. It is a work of art and
4 it's a job that really can't be rushed, but that
5 you'll have a building that will be, you know, a build-
6 ing which will last much longer than standard construc-
7 tion, and certainly aesthetically be much more appealing.

8 Q As I understand it,
9 virtually all the donations for that hall to date come
10 from the government to a great extent, and to a much
11 lesser extent, from industry.

12 A I would say that there
13 has been somewhat of a balance, I wouldn't lay the
14 emphasis on the government. I think I made that point
15 yesterday that the government in a sense has given
16 minimal support. Some private foundations and quite
17 a number, a wide spectrum of private industries have
18 given donations.

19 Q I understood the
20 Secretary of State had for instance granted \$90,000
21 towards the project.

22 A \$95,000.

23 Q Of 135,000 raised.

24 A Well, I can say that
25 the Secretary of State gave \$95,000. As I say, I'm
26 not sure of the total figure that's been raised.

27 Q But you're critical of
28 government and industry for not contributing adequately.

29 A Critical of government
30 in particular, but also industry, and critical also

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 of the great deal of difficulty in convincing anyone
2 that there is a need for this kind of facility, that
3 people don't see that when there is a Community Centre,
4 that such a facility is needed.

5 Q Isn't it possible that
6 with the grants that have already been received from
7 government and industry, a building could be up and
8 in place now, that it didn't have to be a work of art?

9 A I think people get
10 pretty tired of seeing buildings that have been put up
11 in the past 10 or 15 years that are starting to shake
12 a bit. I take the example of the Territorial Government
13 building at Inuvik, the Parry Building, you know,
14 there aren't enough pilings under that building to
15 support a structure of that kind and it's going to be
16 falling down on 20 years.

17 Q You're critical --
18 THE COMMISSIONER: Excuse me,
19 what building is that?

20 A The Parry Building the
21 Territorial Government rents for their main offi-
22 ces in Inuvik.

23 MR. HOLLINGWORTH: Q I
24 see. Your criticism then is of government and industry
25 for not supporting a work of art, something beyond the
26 usual aesthetic of buildings that we've come to expect
27 in Inuvik.

28 A I don't think a native
29 Friendship Centre is basically a work of art. It's
30 a place for people and for programs to meet those

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 people's needs. If people are innovative enough to
2 come up with something a little more creative than
3 government has come up ^{with} in the past, I give them
4 credit for that.

5 Q Well, I'm sorry, I thought
6 you said it was a work of art.

7 A Well, it is a work of
8 art; but that's not the basic purpose to show tourists
9 a work of art, it's to serve the people of the Mackenzie
10 Delta.

11 Q Well, perhaps this is
12 a circular argument, but I thought I suggested several
13 minutes ago that if we'd settled for a building that
14 wasn't a work of art, then there would be one in place
15 now.

16 A I think in a sense there
17 was an urgency for a building in the sense the building
18 will be ahead of its time because it will be built
19 before the pipeline, anyway, and it will meet the
20 needs of the people for the next 100 years.

21 THE COMMISSIONER: How long
22 has the existing hall been there? We held a hearing
23 in INgamo Hall.

24 A Yes, I realize that.
25 The existing building has been in use since about 1965,
26 as a Community Centre. Before that it belonged to the
27 Hudson's Bay Company.

28 Q I'm not suggesting it's
29 adequate, that's all.

30 M R. HOLLINGWORTH: Q How

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 long was it up when the Hudson's Bay Company had it?

2 A I beg your pardon?

3 Q How long has that building
4 been standing? The present Ingamo Hall.

5 A Oh, I don't know, I think
6 it came over from Aklavik and was used as their first
7 store in Inuvik in the late '50s.

8 Q At the top of page 12 of
9 your evidence, you start off in the past tense dealing
10 with your experience as a member of the Inuvik Town
11 Council, urging that the authorities refrain from
12 giving away all the waterfront and protect the east
13 branch. Then you lapse into the present tense and you
14 say,

15 "Surely the needs of local people must be
16 considered and given some priority, I said.
17 Surely the long-term recreational needs of the
18 permanent citizens ought to be respected by
19 the legislators. Industry comes and the
20 access to the waterfront disappears."

21 Are you saying that the waterfront has disappeared for
22 the general public in Inuvik?

23 A Yes, I am.

24 Q There is no parkland
25 at all along the waterfront in the Town of Inuvik?

26 A Very little, and that
27 that is available has not been developed, funds
28 have not been provided by the government to develop
29 that, and it's subject to flooding anyway, the one
30 area that is available.

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 Q I suggest to you there
2 are two fairly substantial areas that are available
3 and in place as parkland.

4 A Are you referring to
5 Boot Lake? Are you asking me a question or telling me?

6 Q Yes, I am.

7 A Sorry, what was the
8 question?

9 Q I made a suggestion to
10 you that there are in fact two recreational areas
11 along the waterfront in Inuvik for parkland, dedicated
12 to parkland by the Town Council. I invite you to
13 agree or disagree with that suggestion.

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Kyllo, Dittrich
Cross-Exam by Hollinworth

1 A I don't know what you are
2 referring to.

3 Q You acknowledge that there
4 is some land there that is dedicated to parkland?

5 A It has been zoned as
6 parkland. It hasn't been developed. I am referring
7 to the area adjacent to Twin Lakes.

8 Q All right. So that you --

9 A But it is a narrow strip.
10 -- narrow strip.

11 Q So that really when you
12 say industry comes and the access to the waterfront
13 disappears, that's not really correct is it?

14 A Substantially I believe
15 it's correct, yes.

16 Q But there is park land
17 there on the waterfront. You just agreed with me
18 there was.

19 A That area is that is zoned
20 park land is used primarily in the summer for off-loading
21 log booms that people don't really even have room to put
22 their boats there let alone set up their tents or
23 anything else.

24 Q All right and that is the
25 only tract you know about. You don't know about the
26 other ones?

27 A No, I don't.

28 Q All right. Now say the
29 intown airstrip at Inuvik is a safety hazard. Whose
30 opinion is it that it is a safety hazard?

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 A Mine.

2 THE COMMISSIONER: Excuse me,
3 that's Shell Lake, is it?

4 MR. HOLLINGWORTH: No, sir.
5 That's the intown airstrip.

6 A It's adjacent to the
7 sewage lagoons. It may be a safety hazard to the pilots.

8 Q Have the pilots expressed
9 that opinion?

10 A No, but the reason I say
11 it's a safety hazard -- and this has been brought up
12 for many years by public maintenance and so on is that
13 the main power plant -- the power plant for Tuk and
14 the Inuvik area is located at one end of the strip and
15 the Imperial Oil tank farm is located at the other in
16 direct line of flight path.

17 Q Does the Ministry of
18 Transport consider it a safety hazard?

19 A I think they do but they've
20 been very lenient in allowing one operator to continue
21 to use that strip.

22 Q Do you have any evidence
23 that they consider it a safety hazard?

24 A Only from memory and
25 discussions that have been brought when Ministry of
26 Transport has been hesitant about any sort of license
27 for that airstrip unless it was extremely upgraded.

28 Q Are you suggesting that
29 the Ministry of Transport is granting a license to that
30 airstrip contrary to the regulations that governs the

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 Department.

2 A No, I am not.

3 Q Now you say that the
4 float plane base at Shell Lake is a safety hazard.
5 In whose opinion?

6 A Partly in my opinion and
7 as a result of discussions and reports that I have
8 read and heard concerning the fact its area, flight
9 path is in direct line with that of the M.O.T. airport.
10 There is a danger while large aircraft are using the
11 M.O.T. airport and small aircraft are using the float
12 base in direct flight path alignment.

13 Q Are not pilots leaving
14 the Shell Lake base governed by the radio regulations
15 from the Ministry of Transport airports?

16 A Yes they are.

17 Q You still say there is
18 a problem of conflict because of the flight paths
19 interacting -- intersecting?

20 A Yes, I do.

21 Q Are you a pilot?

22 A No, I am not.

23 Q Did you ever work for the
24 Ministry of Transport?

25 A No, I did not.

26 Q Does the Ministry of
27 Transport consider that airstrip a safety hazard?

28 A I think there have been
29 discussions where Ministry officials have been present
30 where this point has been strongly made. I assume that

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 they have taken this into consideration.

2 Q Has the point been made
3 by the Ministry officials or by other people present?

4 A I couldn't say for sure
5 that Ministry people have said that this was a safety
6 hazard.

7 Q What is the uncontrolled
8 industrial pollution that's going on there?

9 A I think over the period
10 of the last ten years, there is a great many companies
11 that have been allowed to locate on that lake much
12 more than it really can bear from a sense of helicopter
13 companies and aircraft companies as well as the Indian
14 Affairs Lands and Forests Department. I think it's
15 just ecologically unsound to locate this many industrial
16 type and living quarters close to a small lake.

17 Q Are these industries
18 injecting waste into the lake?

19 A They are certainly
20 spilling a lot of gas and oil into it. I don't know
21 whether sewage waste is going in or not.

22 Q Is that on the basis of
23 your observations or your remarks that the gas and oil
24 is being spilled into the lake?

25 A Yes, it is.

26 Q On the basis of anything
27 else other than that?

28 A No it isn't.

29 Q I see. Now, you say that
30 Dolomite Lake is not available for use by the people of

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 Inuvik anymore?

2 A Not in the sense that
3 you can have access to it by road.

4 THE COMMISSIONER: Can you
5 get to Dolomite Lake by going down the channel that
6 brings you to Inuvik?

7 A Yes, there is a circuitous
8 route where you can get in there by boat.

9 Q By boat?

10 A Yes.

11 Q Yes, I thought I had
12 been there by boat.

13 A Yes right.

14 MR. HOLLINGWORTH: I understand
15 there is a road across the airport that goes to Dolomite
16 Lake.

17 A It's not open to the
18 public. At one time it was.

19 Q My information is that
20 the public is definitely using that road this summer.
21 Have you any information to contradict that?

22 A I wasn't in Inuvik this
23 summer.

24 Q I see.

25 A This brief was prepared
26 this spring.

27 Q I see. It was prepared
28 this spring? Well what's the date?

29 A Yes, this spring. With
30 some additions made recently to update it as was

Kyllo, Ditttrich
Cross-Exam by Hollingworth

1 mentioned yesterday.

2 Q Now you say that Dolomite
3 Lake is the only recreation area available to the
4 average citizen not fortunate enough to own private
5 transportation. How does the average citizen get from
6 Inuvik to Dolomite Lake if they don't have private
7 transportation?

8 A Taxi I suppose.

9 Q That's \$8.00 isn't it?

10 THE COMMISSIONER: At least.

11 A Eight or ten. I think
12 it's ten dollars to the airport.

13 MR. HOLLINGWORTH: One way.

14 A Tariff one way.

15 Q One way. So a family
16 of four going out there would spend \$80 on transportation.

17 A No they would not. They
18 would pay \$10.

19 Q They would spend \$20 on
20 the round trip then.

21 A Yes, they would.

22 Q Now further down on that
23 same page 12 you say:

24 "What controls are there presently in force to
25 prevent pollution, irresponsible shooting of
26 wildlife, burning the bush land and destruction of
27 lakefront property along these miles running from
28 Inuvik to Arctic Red River to Fort McPherson?"
29 Are you suggesting that there are no Territorial or
30 Federal regulations to govern those activities?

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 A I am suggesting that
2 although there are Federal land use regulations, I
3 can't say too much about the Territorial situation.
4 But I think the building of a highway, it seems to
5 have outstripped the capability of the land use people
6 to control, regulate, supervise, monitor the situation.
7 This to me is putting the cart before the horse. You
8 are going to open up the country with a highway, you
9 must in concert with that provide the capability to
10 the department responsible for enforcing these types of
11 regulations in monitoring. That is what I am saying.

12 Q Did you talk with land
13 use official before you prepared this evidence?

14 A Not in direct preparation
15 for this evidence. I, over the years have talked to
16 people who have worked with the Lands and Forests section
17 of Indian Affairs.

18 Q When was the last time
19 you spoke to some such person?

20 A I can't recall.

21 Q Was it a year ago, two
22 years ago?

23 A Probably a couple of
24 years ago.

25 Q All right. Have you
26 ever worked for the land use people?

27 A I have never worked for
28 the government.

29 Q So that your information
30 for making that statement comes from conversations with

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 land use people dating back to a couple of years ago
2 or more?

3 A Yes, I didn't go and
4 interview them scientifically.

5 Q Mr. Kyllo, page six
6 of your evidence you say at the bottom that the
7 Territorial experimental ski training program accepts
8 each person as an individual and develops links to
9 cultural traditions. What links to cultural traditions
10 are wound up in that program?

11 WITNESS KYLLO: The relation-
12 ship of the individual to the environment, the way
13 in which the program is adjusted or is designed to
14 relate to the people involved. Cross country skiing
15 of course is not a direct cultural tradition of the
16 native people but it certainly has links to cultural
17 traditions that are fairly closely aligned -- such
18 traditions as snowshoeing. In fact, there has been
19 a bit of skiing in the past history of the Mackenzie
20 Delta and some of the other areas of the Northwest
21 Territories.

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Kyllo, Dittrich
Cross-Exam by Hollingworth

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2 Q Doesn't the Arctic
3 Winter Games -- you're critical of the Arctic Winter
4 Games, as I understand it.

5 A I'm not critical of the
6 Arctic Winter Games as a concept, I'm critical that the
7 Arctic Winter Games doesn't go far enough in building
8 in the traditional or the cultural interpretation that
9 the native people require in my estimation.

10 Q Don't they have a snow-
11 shoeing event in the Arctic Winter Games?

12 A They have snowshoeing,
13 they have cross-country skiing, they do have northern
14 games events, but a good many of the games concentrate
15 on much more of the more southern related sports. Such
16 sports as hockey, volley-ball, basketball, badminton,
17 those sorts of activities.

18 Q Well, to the extent,
19 and putting aside whether native children are interested
20 in those southern games, to the extent that they hold
21 events in snowshoeing and cross-country skiing, don't
22 they develop cultural links to cultural traditions in
23 exactly the same way as the Test Programme?

24 A Not really. The programme
25 has been operated once in every three years.

26 THE COMMISSIONER: Excuse
27 me, that's the Arctic Winter Games?

28 A Arctic Winter Games, yes.
29 It --

30 Q Once every three years, is

Kyllo, Dittrich
Cross-Exam by Hollingworth

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it?

A Yes, it has been --

Q That's the one from
Alaska to Quebec?

A Yes.

Q Or is it

A Right. It involves four
political identities, the state of Alaska, the territories
of Yukon and Northwest and Arctic Quebec.

Q Yes.

A There has been a series
or four games go on. They have been held every three
years. They expect to be going on a two year schedule
from now on.

Q That is to be held in
Hay River next time?

A In Hay River in '78, yes.
Hay River, Pine Point, a joint hosting.

One of the reasons that the
Northern Games Association was established is because
the native people did not feel that the Arctic Winter
Games that had been conducted in 1969 I believe it was
in Yellowknife. 1970 in Yellowknife was adequate to
meet the needs of northern natives. They felt that the
games were actually an imposition of southern white sports
upon their traditional kinds of athletic and cultural
activity.

MR. HOLLINGWORTH: Are you
suggesting that native people aren't interested in games

Kyllo, Dittrich
Cross-Exam by Hollingworth

1
2 like volleyball and basketball?

3 A I'm not suggesting that
4 at all, but I'm suggesting that there's an opportunity
5 to bring in more than just volleyball, basketball and
6 snowshoeing, cross-country skiing.

7 Q My information is that
8 there's an active degree of participation by natives
9 in games such as volleyball and basketball.

10 A In some of them there
11 is, in others there is not. For instance, table tennis
12 in the eastern Arctic has been extremely well received
13 by the Inuit people, but in other locations, table tennis
14 is virtually unheard of.

15 Q M-hm.

16 A Curling in some locations
17 has been well received. In others it is not. It's not
18 the kind of an activity that does relate to a good many
19 of the people. To a broad cross-section of the people.

20 Q So, in your opinion
21 they should be dropped from the games?

22 A I don't think they should
23 be dropped from the games, I think the games should be
24 developed to include more fully the traditional native
25 games as well as the -- what you might call the southern
26 related sports activities. In addition, I feel that the
27 cultural component of the games should be expanded,
28 that they should be more of a concentration on the non-
29 sport or non-athletic kinds of activity. I don't think
30 that sporting and athletic events are the total of the

Kyllo, Dittrich
Cross-Exam by Hollingworth

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recreational picture of the Northwest Territories or
the rest of the north.

Q In your opinion, does
racial tension exist in the town of Yellowknife?

A It certainly does.

Q Does it exist in Fort
Simpson?

A It certainly does.

Q Norman Wells?

A Certainly.

Q Inuvik?

A Yes.

Q I'm interested that in
your statement on page two, saying, "it", referring
to leisure services, "has been in my opinion, selected
as an easy solution to the social and racial tensions
that are expected to arrive with the pipeline construc-
tion". Now that suggests to me that you're saying that
no racial tension or social tension presently exists.

A I'm not saying that
at all. What I am saying is that there can be
expected an increase in social and racial tensions with
increasing development.

Q You say "that are
expected to arrive", expected by whom, Mr. Kyllo?

A Expected by myself and
expected by, I would imagine, certain other people that
have appeared before this Inquiry.

Q On what basis are they

Kyllo, Dittrich
Cross-Exam by Hollingworth

1
2 expected by you? On the basis of your experience, your
3 study, other studies?

4 A On the experience of
5 my experience and my studies certainly. I've been
6 fortunate to observe the situations in centers such as
7 Fort McMurray, in centers such as Grande Cache in
8 Alberta. Both of those have native components within
9 the population. Those components, have been, to a
10 large extent, and especially in Grande Cache, ignored
11 by the development that has taken place.

12 Fort McMurray has recently
13 undertaken some steps to include native people within
14 the economic and social development but it has been
15 a very late kind of a thought. It should have preceeded
16 the development by several years, instead it has
17 followed by a period of going on to fifteen years.
18 The initial industrial influence.

19 Q Are you familiar with
20 any native families, the heads of which trap and hunt
21 in winter?

22 A Yes, I am, some. I
23 wouldn't say that I know a great many, not intensely
24 but I do know some.

25 Q Do the fathers go out
26 on the land by themselves as a rule?

27 A It depends on the
28 situation. In some cases they do, but in other cases
29 the whole family goes out. It depends on the location,
30 the area that is being trapped. If the home center

Kyllo, Ditttrich
Cross-Exam by Hollingworth

1
2 is close at hand to the area of trapping activity, then
3 very often the family can remain at home, in other
4 cases, the whole families do go out, at least for some
5 period of time.

6 Q If there are school
7 children in the family though, they likely stay at
8 home.

9 A Not entirely. Sometimes
10 the children are taken out of school for certain
11 periods of time. Maybe not lengthy periods. In some
12 cases I believe that the periods might stretch into
13 several weeks.

14 Q Now, I understand from
15 testimony you gave when Mr. Steeves was cross-examining
16 you and from my questions yesterday that you haven't
17 studied either the Arctic Gas or the Foothills construc-
18 tion plan?

19 A Not intensely, no.

20 Q Not what?

21 A Not intensely.

22 Q Not intensely.

23 A No, I have not read the
24 applications, nor have I pursued all of the evidence
25 that's been given before this Inquiry.

26 Q Have you pursued some
27 of it?

28 A Some limited parts of
29 it, yes.

30 Q Have you read parts of

Kyllo, Dittrich
Cross-Exam by Hollingworth

1
2 the direct evidence given on the construction plans of
3 either applicant?

4 A Not the specific
5 construction plans, no.

6 Q Well, what do you know
7 about the construction plans of either applicant?

8 A I believe I have a
9 general impression of what is being proposed, as do
10 a good many other people within the north. I believe
11 that many of the reports that have come out of this
12 Inquiry have certainly increased the knowledge base
13 that people have relating to the specific applications.

14 Q Have you read the
15 Foothills operations plan?

16 A No, I have not.

17 Q What knowledge do you
18 rely on in stating on page seven, the removal of the
19 dominant family focus for long periods, in construction
20 or operations camps is likely to have serious effects
21 upon the functions and viability of the family?

22 A Native families have,
23 from my impressions, been very much related to the
24 father. The father has been the dominant focus.

25 Q Yes sir, you say that
26 above. What I want to know is where you got the informa-
27 tion that they're going to be removed for long periods
28 of time to construction and operations activities.

29 A Well, some of the suggestions
30 have been that -- and in fact this is happening. I

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 believe it is happening in relation to the Coppermine
2 case, that people are being removed from the community
3 for various lengths of time for employment within the
4 oil and gas industry. I would like to perhaps have
5 Reverend Dittrich comment on that particular item. He
6 has a direct relationship to that that I do not have.

7
8 Q Well, I'd like to hear
9 from him in a moment. I just want to get back to
10 you for a minute. That paragraph that I'm reading from
11 is headed, "Specific Impacts of Pipeline Development".

12 A Yes.

13 Q And I suggest to you
14 sir, that the reader is invited to draw, from your
15 remarks, the conclusion, that heads of families are
16 going to be taken out, away from their families for
17 long periods of time in connection to construction or
18 operations. Now, do you have any information on which
19 to make that assertion?
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Kyllo, Dittrich
Cross-Exam by Hollingworth

1 A If native people are to
2 be included within the construction of the pipeline,
3 or if large numbers of native people are to be included
4 within the operation of the pipeline which would
5 certainly be centred in the locations where oil or
6 gas activity is being experienced, there would have
7 to be the inclusion of more people than from that
8 specific region. So I would expect of necessity,
9 especially with a construction operation would necessi-
0 tate the removal of the people from specific locations
1 such as perhaps Sachs Harbour or Tuk or Paulatuk or
2 Fort Simpson to the specific camps that perhaps would
3 travel to various communities; but the amount of
4 time that the pipeline construction, for instance,
5 would be located at Fort Norman or in close relation-
6 ship to Fort Norman, would be a relatively short
7 period of time. The individual who wanted to become
8 associated with that pipeline construction for more
9 than just that short period of time would be expected
0 to move along with the construction progress. He
1 could not expect to return home every evening if the
2 pipeline construction was located at Good Hope, or if
3 it was located at Fort Simpson.

24 Q You don't know, do you?

25 You don't know if one pipeline crew is going to go

26 from Inuvik down to Fort Simpson, or whether there

27 are going to be ten crews doing that stretch?

28 A There will be several
29 crews.

30 Q Then what is the basis

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 for your remark just now that a fellow from Fort
2 Norman is going to be down at Fort Simpson?

3 A Because I don't expect
4 that a fellow from Fort Norman will be employed on
5 a crew that is going to be working within a very short
6 distance of his home for long.

7 Q You have no idea because
8 you haven't seen the construction plan.

9 A No, I haven't.

10 Q All right then. Now,
11 where did you read about the proposal to isolate
12 construction personnel from centres down the valley?

13 A There have been several
14 reports in newspapers, on radio and T.V. that the
15 impact of the pipeline is expected to be reduced
16 because the construction personnel are expected to be
17 isolated somewhat from the native communities, or from
18 the smaller valley communities.

19 Q And you doubt that on
20 the basis of the experience you had on the seismic
21 crew in Northern British Columbia.

22 A Yes, I do.

23 Q Do you doubt it on any
24 other information?

25 A From my experiences in
26 associating with people in the oil industry from the
27 time I was a young child until presently.

28 Q O.K. now, when you were
29 on this seismic crew in Northern British Columbia, I
30 take it you were reasonably handy to a road of some

Kyllo, Ditttrich
Cross-Exam by Hollingworth

1 description over which a vehicle could be driven.

2 A No, not extremely handy
3 by any means. We were in one particular location some
4 20 to 30 miles off the Alaska Highway on a bush road,
5 a cat road through the bush. The individuals would
6 travel from, after a very long work day, over this
7 bush road and then from thence down the Alaska
8 Highway to Fort St. John.

9 Q What did they use to
10 travel over the bush road?

11 A Generally the people
12 either used the company vehicles, or in a couple of
13 cases, their private vehicles were brought into camp.

14 Q Then to get back to my
15 question a few moments ago, they were on roads of
16 some description that vehicles could pass over,
17 weren't they?

18 A They were on roads a
19 vehicle could pass over.

20 Q Now, is there any reason
21 why the company vehicles, access to the company vehicles
22 couldn't have been denied to those people?

23 A An attempt could be made
24 to deny them to these people, but the success of those
25 programs are very often less than adequate.

26 Q Have you had experience
27 with such programs?

28 A Yes, I have.

29 Q Where?

30 A In that particular seismic

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 crew, the use of company vehicles was frowned upon
2 but it did take place, certainly.

3 Q How many people were in
4 the seismic crew?

5 A I believe there were 35
6 in the camp. I'm not entirely sure of that.

7 Q And it wasn't a camp
8 with a fence around it with a security guard at the
9 gate, was it?

10 A No.

11 Q And you don't know whether
12 in fact Foothills or Arctic Gas will have that at
13 their spread camps.

14 A I'm not sure. They might
15 have; they might not. In any respect, I feel that
16 individual rights, personal rights can sometimes
17 overrule some of the intentions that we might have
18 to control people's behaviour.

19 Q Do you think it's an
20 individual's right to take a company car against
21 company orders and go into town?

22 A No, I don't.

23 Q O.K. Are you familiar
24 with the experience of the operators on the delta at
25 the present time?

26 A Not particularly, no.

27 Q Do you know anything about
28 how many people from those fields come into Inuvik,
29 if any?

30 A Not directly. I'd like to

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 refer that question to Reverend Dittrich as well.

2 Q All right, let's hear
3 from Reverend Dittrich

4 WITNESS DITTRICH: What is the
5 specific question again, please?

6 Q I didn't ask you a
7 question.

8 MR. HAYLY: Perhaps the question
9 could be repeated since Mr. Dittrich didn't hear it and
10 it has been referred to him.

11 THE COMMISSIONER: Let's hear
12 from Reverend Dittrich. I don't think we can expect him
13 to answer questions without knowing what it is.

14 MR. HOLLINGWORTH: That
15 sounds reasonable.

16 Q The question, as best as
17 I can recall, is what experience you have with people
18 from drilling sites in the delta coming into Inuvik,
19 if at all.

20 A There's lots of people
21 come into Inuvik from drilling sites.

22 Q Can you name me specific
23 instances?

24 A Well, it's been happening
25 for years.

26 Q Are you sure they're from
27 drilling sites? Or are they from base camps?

28 A Oh, I suppose from both.

29 Q Do you know?

30 A As far as I know, they're

Kyllo, Dittrich
Cross- Exam by Hollingworth

1 from both.

2 Q But do you really know if
3 they're from both, or from just the base camps?

4 A Well, I think both are
5 utilized in the programs of the oil companies, so
6 presumably the workers from both come into Inuvik.

7 Q That's the presumption
8 you make in giving that answer, is it?

9 A I am reasonably sure I'm
10 right. You could call it presumption if you wish.

11 THE COMMISSIONER: The other
12 matter that Mr. Kyllo asked you to comment on related
13 I think, to the workers from Coppermine that are brought
14 to the delta to work in the Gulf program. I think Mr.
15 Kyllo suggested they were away from home for a consider-
16 able length of time. As I recall the evidence, they were
17 only away for two weeks at a time. But in any event,
18 if you want to add anything to that, go ahead.

19 A Yes, thank you. I think
20 I would comment on that and also on the training program
21 that I don't think either Mr. Kyllo or myself are
22 saying that there shouldn't be training programs or
23 there shouldn't be mobility of workers to where there
24 is work. I just think we're warning people they
25 shouldn't be so naive as to think that these were the
26 cure-alls for the problems of the people as they face
27 this period of transition. It's like educating young
28 people in the academic institutions that have been
29 set up, simply because they have a diploma doesn't
30 mean they won't have an identity crisis. It doesn't

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 necessarily mean that they're going to be able to
2 integrate into the society in which they find themselves
3 today in the north. I think this is taking too
4 much for granted. We have to be sensitive to the
5 other ramifications -- the social, the human ramific-
6 ations of this changing period and the pressures to
7 which they're subjected. It's not just a matter perhaps
8 of unemployment. I think it's the same with the program
9 to take workers from Mackenzie Delta. Certainly I
10 know somebody personally, take some of the Coppermine
11 people to the Mackenzie Delta to work. Now I haven't
12 read Dr. Hobart's study on Coppermine, but I've just
13 come back from Coppermine and talked to people there.
14 I think my observations are quite as valid as
15 anyone else's, and my observations of other communities.
16 A brand new airstrip is fine, it provides certain
17 amenities, certain communication facilities, certain
18 advantages. But let's not forget that there are
19 certain disadvantages.

20 We've seen many communities
21 in recent years supplied with airstrips. I suppose
22 the extreme case is Old Crow in the Yukon, a community
23 I have visited and lived in for a few days, where there
24 is a massive airstrip built during the time I lived
25 in Inuvik. This has had a tremendous effect on the
26 community, and certainly it hasn't all been positive.
27 So I just caution those who hold forth these programs
28 giving the impression that they are the pancea, the
29 cure-all for the social and the human problems that
30 exist in the north today. In themselves they're good,

Kyllo, Dittrich
Cross-Exam by Hollingworth

1 but they're only part of the process of providing
2 the resources to help people adjust to these conditions
3 in which they find themselves. Certainly this matter
4 of taking men away from their families, separating
5 them, even if they are able to return periodically,
6 it's hard enough in our society where we're used
7 to more mobility and more of this type of thing.
8 But in a culture where the family was living as a unit
9 on the land, I think the effects are much more traumatic.
10 It can be quite devastating, and of course the injection
11 of money into the economy of a Coppermine or an Old Crow
12 isn't necessarily a blessing. The money that's injected
13 into that economy can bring negative results to the
14 lifestyle of the people, the quality of life of the
15 community as well, simply because it comes too quickly
16 and too soon. Such as the building of the DEW Line
17 when there was much wage employment, and fantastic
18 amounts of money available to people who weren't
19 prepared to integrate into that kind of economy, weren't
20 able to. I saw the same in Frobisher Bay where the
21 American Government poured millions into that community.
22 Many of the local people were working but the net
23 result of it was a very negative, devastating effect
24 on the community and on individual lives.

1 THE COMMISSIONER: Any
2 further questions?

3 MR. HOLLINGWORTH: I have no
4 further questions.

5 MR. GOUDGE: I have no questions
6 sir.

7 MR. BAYLY: I have just a ques-
8 tion or two in re-direct examination.

9 RE-EXAMINATION BY MR. BAYLY:

10 Q Since giving your
11 evidence in chief Mr. Kyllo have you had a chance to
12 look at the evidence given by the Nortran panel in the
13 transcripts of the hearings that have been held here?

14 WITNESS KYLLO: Yes, I have.
15 I had the chance to review them. An impression that
16 certainly came to me from that opportunity has been
17 the concern with the number of jobs that will be
18 available within the north. I believe Mr. Scott spent
19 a great deal of time digging into this particular item.
20 He was trying to determine just how fully the Nortran
21 Program will provide the advantage to the people of the
22 north that is intended.

23 I have to agree with his
24 concern. It's not that I have any particular conflict
25 with the Nortran Program. I think it's an excellent
26 program. It has some well conceived and well developed
27 ideas. It has some excellent staff -- very dedicated
28 staff that are working with it. But I don't think it
29 is going quite far enough. It is providing staff that
30 will fit into the oil industry for which there are

Kyllo, Dittrich
Re-examination

1 according to Mr. Scott's determination -- a rather
2 limited number of jobs. What about the jobs in the
3 other areas that are not being provided? In the
4 transportation industry, in commerce in the business
5 world within the specific communities and the social
6 development situation that is going to be necessary?

7 For example, when I was with
8 the Territorial Government, we tried to institute
9 a program to provide a training experience for northern
10 people and in particular native people to work as
11 recreational leaders and recreational directors in the
12 given communities. We were not successful in receiving
13 any funding for that particular program. It had been
14 determined that the ongoing programs would proceed,
15 that additional funding would have to wait. Additional
16 funding for that specific program would have to wait
17 until the Federal Government provided more funds to the
18 Northwest Territories or until industry and the
19 municipalities themselves could provide for that kind
20 of an opportunity.

21 Given this situation that
22 native people and northern people might be expected
23 to arrive at through which employment would be both
24 within and outside of the oil industry available to
25 them that there might be various approaches to work
26 scheduling. There might for instance the situation in
27 Coppermine where the people worked away for two weeks --
28 two weeks on, two weeks off. In other cases, it might
29 be a five day, 40 hour week. In other cases, it might
30 be a 20 and 10 -- 20 days on and 10 days off situation

Kyllo, Dittrich
Re-examination

1 There are many types of work schedules that can be
2 arrived at. But with this particular arrangement of
3 employment activity, there can be expected to be quite
4 a number of variations in leisure time, in blocks
5 of leisure time. How are the people going to be able
6 to cope with that amount of leisure time? Are they
7 going to be able to return to the land as some would,
8 I hope, be interested during the time off of the job?
9 Or are they going to be locked in a community -- a
10 community in which they don't have the opportunity to
11 get out. Perhaps they won't have the advantage of
12 transportation or of lengthy periods of time in which
13 they can get out into the bush, into the traditional
14 activities which they might want to pursue.

15 If this is the case, we might
16 see an exceptional increase in certain kinds of
17 social problems. The ability of people to utilize
18 fully and in a worthwhile manner their leisure time
19 is a difficulty that is being faced in southern
20 communities, in communities that have a lot of diversity
21 in recreational advantage, that have a lot of history
22 of recreational programming, that have a degree of
23 maturity. Are these smaller communities -- communities
24 that are rushed into this more modern situation going
25 to be able to cope? Or are we going to end up with
26 some of the problems that have been experienced in places
27 such as Fort McMurray and Grande Cache?

28 In addition, I think the
29 Nortran Program or some modification of that should be
30 expanded to include the other areas of economic endeavor

Kyllo, Dittrich
Re-examination

1 that are being foreseen present. These can relate
2 to a large number of activities -- anything from
3 transportation to accommodation of various personnel.
4 I don't think that there is adequate attention being
5 given to providing the necessary skills for those
6 particular areas of economic endeavor.

7 We have of course the Nortran
8 Program that is attempting to provide the skill within
9 one specific region but I don't think it goes quite
10 far enough. I would certainly like to see it expanded
11 either in the present form or in some other form where
12 it could look into the other items of potential wage
13 economy.

14 Q Could I ask one other
15 question then and this deals with another subject?
16 Mr. Hollingworth raised the distinction between the
17 Arctic Winter Games and the Northern Games. Now,
18 both of you have some experience with
19 both of those and the distinctions that seem to be
20 drawn were in the actual activities; snowshoeing
21 perhaps as opposed to high kick or good woman contest
22 or whatever. Are there other differences that may
23 be more fundamental in the concept of the games that
24 may make one more or less responsive to the cultural
25 recreational needs of certain people than to others?

26 THE COMMISSIONER: Just so
27 that -- it's my impression -- correct me if I am wrong.
28 But the Northern Games were essentially organized with
29 the assistance of Reverend Dittrich. The Northern
30 Games were essentially organized by native people.

Kyllo, Ditttrich
Re-examination

1 The Arctic Winter Games are organized by the government.
2 Now am I -- is that said wrong?

3 A Well, it's basically true.
4 The Arctic Winter Games have been organized by the
5 government but they have been, in my opinion, extremely
6 heavily dominated by the white sector of the Northwest
7 Territories' population. Part of this of course is
8 in relation to the other three participants within the
9 games. The State of Alaska --

10 Q Excuse me. Let me put
11 it this way. I think I understand what you are driving
12 at. I don't want this to precipitate another hour
13 of discussion. Forgive me but do the Northern Games
14 constitute in essence the perception that you believe
15 native people have of what their recreation and cultural
16 celebration ought to be whereas the Arctic Winter
17 Games represents essentially a white perception of what
18 a recreation and cultural celebration in the north ought
19 to be? Is that, without in any way seeking to denigrate
20 either one?

21 A Yes, I think that's
22 certainly so. The Arctic Winter Games of course
23 concentrates on sport and not on the cultural component.
24 It's not nearly as broad a concept as the Northern
25 Games.

26 Q I've been to Northern
27 Games. I understand the concept.

28 A One other item that I
29 think is critically important is that the Arctic
30 Winter Games is not an ongoing program. It's an event

Kyllo, Dittrich
Re-examination

1 and not a program. It's an event that allows the
2 participation in these particular activities. It's
3 not an ongoing series of programs to develop skills or
4 to provide an outlet.

5 Q To be fair, both are
6 really -- the funds to hold both events are provided
7 by the Government of Canada or the Territorial
8 Government are they not?

9 A The Arctic Winter
10 Games basically, but the Northern Games and Reverend
11 Dittrich would certainly have better information than I
12 but the Northern Games I think has --

13 Q The Secretary of State
14 isn't it Reverend Dittrich?

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Kyllo, Dittrich
Re-examination

1 WITNESS DITTRICH: Part of the
2 funding comes from National Health and Welfare at the
3 present time.

4 Q Oh, sorry, sorry, yes.

5 MR. HOLLINGWORTH: I hope
6 I didn't leave the impression that I was trying to say
7 they weren't fundamental differences between the games,
8 in fact, I didn't think I'd even discussed the Northern
9 Games.

10 THE COMMISSIONER: No, no,
11 Mr. Bayly asked a question and I intervened just to
12 tell all of you what I thought we were talking about
13 so that if I really understood what we were talking
14 about, then we didn't have to talk about it anymore.

15 However, that's --

16 MR. BAYLY: I have no further
17 questions at this time.

18 THE COMMISSIONER: Well, thank
19 you very much, Reverend Dittrich -- oh yes, sorry, Mr.
20 Kyllo.

21 WITNESS KYLLO: Would it
22 be possible just to give a brief submission of the
23 rationale that I had when I came forth with this particu-
24 lar presentation?

25 I had the chance to think of
26 this over the evening or last evening.

27 THE COMMISSIONER: All right,
28 yes, go ahead.

29 A It'll just take me a
30 moment.

Kyllo, Dittrich

1 THE COMMISSIONER: Sure.

2 A The task I attempted
3 was to provide an assessment of the pipeline as it
4 could be expected to effect the social and leisure
5 situation in the north. I did not attempt to limit
6 my testimony to the recreational scene because of the
7 impossibility of realistically compartmentalizing recreation
8 apart from the social, economic and political conditions
9 of a given community or of a society.

10 In my profession, that of
11 community and recreation and regional planning, we
12 cannot slice a community and its problems into neat
13 little packages to be handed out to each of the specialists
14 or experts that may be interested. The situation calls
15 for much more of a generalist approach, to bring
16 rationality to the whole of the picture.

17 Incidentally, one of the
18 community recreation planning projects which I recently
19 conducted this past winter was selected as a demonstra-
20 tion project for Alberta's submission to the U.N. Habitat
21 Conference. It was selected because it demonstrated
22 an evolving form of community and regional planning
23 in which the citizens play an active and vital part.
24 This project focused upon the town and Indian reserve and
25 the region that has experienced gas exploration and
26 development over the past 20 years. The social and
27 racial tensions have not yet been settled.

28 Thank you.

29 THE COMMISSIONER: Well, thank
30 you Mr. Kyllo and thank you Reverend Dittrich and w

1 appreciate your sharing your own experience and know-
2 ledge of these matters with us and we will be bearing
3 your evidence in mind, so thank you both again.
4

5 I think we'll adjourn until
6 2:00 and then we can hear the case for the municipalities.

7 (PROCEEDINGS ADJOURNED UNTIL 2:00)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. GOUDGE: I think we're ready, sir, now to proceed. Mr. Sigler will open his case for the Association of Municipalities and I think proposes to describe it briefly and then will call his first panel.

MR. SIGLER: That's correct, sir. I'll try not to be too verbose.

THE COMMISSIONER: Take your time.

MR. SIGLER: The Association in its evidence plans to lead, over the next week or two, will attempt to concentrate on the concerns of three specific communities on which it feels that the alternatives of either development or of no development would have the highest impact, namely, Inuvik, Fort Simpson, and Hay River.

I should mention, however, that while we were concentrating on these three communities in our evidence, that the same types of pressures or issues are also present in the other municipalities within the region, but to a lesser degree. We do not purport to speak for the people of other communities, namely the smaller native communities within the corridor region, which I suppose are not faced with coping with^a municipal form of government which this Association does not represent, in fact.

As mentioned in our opening address to you, sir, last March, the problems facing these municipalities are to a certain degree

special or different than the problems perhaps that face other communities in that as a level of government the municipalities in fact have a burden of actually carrying out certain legislative duties and responsibilities, and providing certain services that are required of them by law, and that with impacts these duties and responsibilities in our submission will be much more onerous to in fact carry out.

As far as it is possible to do so, we shall in our evidence be attempting to show the Inquiry the magnitude of certain specific impacts, and we plan to be specific in our evidence as much as we can be on the three subject communities as well as the resultant problems of costs that will be involved.

We shall as well be introducing in our evidence and in our final arguments a specific recommendation that we feel in fact will solve the problems that we've mentioned will occur.

We shall urge the Inquiry to adopt these recommendations in its report to the government. With these recommendations we shall also be arguing for planned and responsible development to proceed in the region, at least for the subject municipalities, without any unnecessary delays in order that the communities might survive. We hope to show in evidence that development is not only beneficial to these communities, but also it is absolutely necessary for the survival of these larger communities for which we speak.

1 In leading this type of
2 evidence, our panels shall be as follows:

3 Our first panel which will be sworn in and present
4 their evidence this afternoon consists of Mr. Lainsbury,
5 Mr. Dusel and Mr. Dalby, to outline evidence as to the
6 energy supply for municipalities, giving population
7 projections based on the Arctic Gas figure, impact
8 costs projections, as well as feasibility comments
9 with respect to gas supply to local communities in
10 the region.

11 In presenting their evidence
12 they shall be referring to the Mackenzie Valley community
13 impact study, which was, of course, funded by this
14 Inquiry. In referring to the study, though, which
15 forms a basis of their evidence, this panel shall not
16 be dealing with the recommendations that are contained
17 in the study. Many of the recommendations in the study
18 are in fact recommendations that came from Municipal
19 Councils and we shall in fact be leading this evidence
20 through later panels of witnesses, or making these
21 arguments in our final argument as to the actual
22 recommendations. We're trying to keep with your
23 suggestions that recommendations don't need to go in
24 twice, both in evidence and in argument.

25 Our second panel, which will be called next
26 Wednesday, I believe, will deal with protection
27 services to the municipalities, will consist of Mr.
28 Paul Schauerte, who is the chief by-law officer for
29 the City of Yellowknife; Fire Chief Galloway from
30 Inuvik, who is also president of the Territorial Fire

1 Fighters' Association, and Brian Purdy, a Yellowknife
2 lawyer, who has been involved as the Chairman of
3 Yellowknife's Police Board, and plans to make repre-
4 sentations with regard to community involvement, the
5 negotiation of the R.C.M.P. contracts that they have
6 with the Territorial Government .

1 Our third panel will deal
2 with municipal financing and on that panel, Bill Lafferty
3 who is a Territorial Counsellor, to comment on the
4 territorial, federal fiscal arrangements as the Territorial
5 government, in fact, is a source of funding for the
6 municipalities.

7 On the same panel, Mr. Dave
8 Nickerson another Territorial Counsellor, will give
9 evidence or present a blueprint for revenue sharing --
10 for royalty sharing from resources if they are developed
11 in the north.

12 On the panel as well will
13 be Jim Robertson, the Mayor of Inuvik and the President
14 of the Association of Municipalities commenting on --
15 generally on municipal responsibilities and how they
16 relate to the financing problems. As well, Norm Macleod
17 will be called, who is a Territorial public servant
18 working for the Department of Local Government, who
19 will comment on the grant structure as it now exists
20 for municipalities in the north.

21 On our next panel, which will
22 deal with recreation and the need for recreational
23 facilities and recreational planning in these communities
24 will have Mr. Ray Goulet who is in charge of the Recrea-
25 tion Department of the Territorial government, commenting
26 on the Territorial government's planning of recreational
27 facilities and programmes in communities as well as
28 representatives --

29 THE COMMISSIONER: He will
30 Mr. Hillo's successor, is that it?

1 MR. SIGLER: Yes. As well
2 as representatives of the Hay River and Fort Simpson
3 town councils or village council in the case of Fort
4 Simpson, commenting on recreational needs and concerns
5 in those two communities.

6 Our fifth panel will deal with
7 planning and municipal services and on that panel will
8 be Mr. Ganske from the Town Planning Lands Department
9 of the Territorial government as well as representatives
10 of the councils of each of the three communities, Hay
11 River, Inuvik and Fort Simpson.

12 Our last panel, sir, will be
13 with -- deal with -- it won't with a specific concern,
14 it will be more on a general plane dealing with economic
15 and political development and in this panel we hope
16 to present a scenario for the subject communities, both
17 with and without development to finish off our case,
18 and on that panel will be Territorial counsellors,
19 Lafferty, Territorial counsellor, Butters as well as
20 Mr. Robertson again and Dick Hill from Inuvik and the
21 Mayor of Yellowknife, Fred Henne.

22 So, that's the case as we
23 now see it for the municipalities sir.

24 THE COMMISSIONER: Fine,
25 thank you Mr. Sigler.

26 Well, we're ready to go I think,
27 with this panel.

28 MR. SIGLER: Yes, their
29 evidence, their prepared evidence has been filed
as an exhibit along with their statement of their

Lainsbury, Dusel, Dalby
In Chief

1 resumes on each of the three witnesses together with a
2 copy of the Mackenzie Valley Community Impact Study that
3 was done by Stanley and Associates.

4 JOHN M. LAINSBURY,

5 FRANK J. DUSEL,

6 RONALD N. DALBY, sworn:

7 DIRECT EXAMINATION BY MR. SIGLER:

Q We'll start with

8 you, Mr. Lainsbury.

9 You're the Chief Planner for
10 Stanley Associates Engineering Limited?

11 WITNESS LAINSBURY: That's
12 correct.

13 Q And I wonder if you
14 could outline briefly the scope of operations of Stanley
15 and Associates?

16 A Stanley and Associates
17 is a western Canadian consulting firm. We have a staff
18 size of approximately 300. Most of our work is in
19 western and northern Canada, although in fact we're
20 also involved in projects in Belize and Barbados.
21 The areas of experience or expertise within our firm
22 include municipal engineering, structural engineering,
23 traffic and transportation engineering, environmental
24 engineering, water resources and urban and regional
25 planning.

26 Q And your responsibilities
27 take care of the senior supervision of municipal and
28 developmental planning projects, resource evaluation
29 studies, feasibility investigations and related studies?

30 A That's correct.

1 Q And your education
2 consists of a Bachelor of Science and Civil Engineering
3 from the University of Saskatchewan in 1962, Master
4 of Science in Community and Regional Planning from the
5 University of British Columbia in 1968?

6 A That's correct.

7 Q And your professional
8 affiliations include membership in the Association of
9 Professional Engineers of Alberta, the Association of
10 Professional Engineers of British Columbia, the Canadian
11 Institute of Planners, Planning Institute of British
12 Columbia, Community Planning Association of Canada and
13 the American Society of Planning Officials?

14 A That's correct.

15 Q And perhaps you could
16 comment on your experience with Stanley and Associates?

17 A I've been employed
18 by Stanley and Associates continuously since 1962 with
19 the exception of the two winters, '66, '67 and '67, '68
20 when I took my Masters at U.B.C. and during that period
21 I've been involved in a wide variety of initially
22 engineering works, land development work and then
23 lately moving into the field of planning.

24 I've been involved in the
25 socio-economic planning with a number of native groups
26 in the south and have been involved with a number of
27 relatively major planning projects throughout western
28 Canada. Perhaps the comprehensive community plan for
29 Kamloops, the same kind of planning process in Verner
30 and Grande Prairie and in Whitehorse are examples of

1 the type of work that I'm responsible for.

2 Q And you've read the
3 complete profile or resume that's been filed with the
4 Commission?

5 A Yes I have.

6 Q And that accurately
7 sets out your experience in more detail?

8 A Yes sir.

9 Q Mr. Dusel, could I get
10 you to outline to Mr. Justice Berger your qualifications
11 and experience?

12 WITNESS DUSEL: Yes sir, my
13 name is Frank J. Dusel. I'm Vice-President with
14 Stanley and Associates Engineering and I have overall
15 responsibility for municipal engineering and planning.

16 My education qualifications
17 consist of a Bachelor of Science Degree in Civil
18 Engineering from the University of Saskatchewan where
19 I was graduated in 1947.

20 Q With distinction, I
21 believe.

22 A With distinction.

23 My professional affiliations
24 include membership in the Association of Professional
25 Engineers of Alberta, Licencee in the Association of
26 Professional Engineers of British Columbia and I'm a
27 member of the Canadian Society for Civil Engineering.
28 I'm also member of the Community Planning Association
29 of Canada.

30 With respect to my experience,

Lainsbury, Dusel, Dally
In Chief

1 the first ten years of my professional career were
2 spent primarily in the field, working for consulting
3 engineers on construction supervision, with the Govern-
4 ment of Canada with the city of Regina and a large
5 part of that time, from 1958 -- from 1950 to 1958
6 specifically, was spent with a western Canadian contract:
7 engaged in construction of municipal works. I was a
8 partner in the firm and I was Vice-President in charge
9 of all the construction.

1 In 1958 I joined Stanley and
2 Associates Engineering Limited and was responsible
3 for a number of clients on the design of and construction
4 supervision of waterworks and sewage systems and other
5 types of projects.

6 From 1964 to 1968, I served
7 as general manager in overall charge of administration
8 for the company.

9 In 1968 I became vice president
10 in charge of municipal engineering and planning. On
11 the resume that is attached to our submission, there is
12 a list of waterworks and sewage projects on which I
13 have worked and also a list of special studies and
14 reports upon which I have worked. Perhaps of
15 more relevance to my testimony in this Inquiry is
16 the fact that I was heavily involved in forward planning
17 and engineering for the Resource Council of Swan Lake,
18 Lanningan, Grande Prairie and Fort McMurray.

19 In the case of Swan Lake and
20 Lanningan, I was responsible for all of the forward
21 engineering and planning that was carried out under my
22 direction as well as all of the detailed engineering
23 and development of the physical infrastructure. I am
24 sorry, I keep saying "Swan Lake". I must have the
25 opera or the ballet on my mind. It's Swan Hills.

26 Swan Hills of course is a town
27 town which was developed in Swan Hills oil
28 field. Lanningan was an existing community which expanded
29 rapidly with the development of a potash mine.
Fort McMurray was an existing town which has grown very

Lainsbury, Dusel, Dalby
In Chief

1 rapidly with the development of the Athabasca Tar Sands.
2 Grande Prairie underwent a period of rapid development
3 when the Proctor and Gamble pulp mill was constructed
4 nearby.

5 In addition to that and of
6 particular relevance here is that I have been responsible
7 directly for all of the engineering, for development of
8 infrastructure in the town of Hay River in the initial
9 years in 1963, '64, '65 through to '68. I was directly
10 involved in the detailed engineering design. Excuse
11 me, since that time all of the engineering that has
12 been carried out there has been under my direction.

13 The general planning and
14 engineering plans for Fort Simpson was finalized in
15 our office under my direction. The long range plan for
16 a development of sewage in Yellowknife was developed
17 under my direction as well.

18 I think that sums it up.

19 Q Thank you Mr. Dusel. Mr.
20 Dalby -- before I get to you, you have read the resume
21 of this document that has been filed as an appendix to
22 your evidence.

23 A Yes.

24 Q It's accurate is it?

25 A Yes, it is.

26 Q Thank you. Mr. Dalby
27 would you care to outline your background and qualifica-
28 tions?

29 WITNESS DALBY: My name is
Ronald Norman Dalby. I am president of R. N. Dalby and

Lainsbury, Dusel, Dalby
In Chief

1 Associates Limited. I was born in Edmonton and educated
2 there, graduating from the University of Alberta with
3 a Bachelor of Science Degree with distinction in
4 civil engineering in 1952. I member of the Association
5 of Professional Engineers, Geologists and Geophysicists
6 of Alberta, has served as president of the Association
7 for 1973-74 term.

8
9 My experience from 1952 to
10 1955, I worked for Imperial Oil Limited the first year
11 in the training program and two years as a resident
12 manager in the marketing department.

13 From 1955 through to 1967,
14 I worked with Northwestern Utilities Limited in Edmonton
15 and Canadian Western Natural Gas Company Limited,
16 Calgary and served from assistant distribution engineer
17 to senior vice president.

18 These two companies are
19 involved in the production, transmission and distribu-
20 tion of natural gas throughout the province of Alberta.
21 I have had quite extensive experience with these
22 companies in such areas as cost analysis on natural
23 gas rate design, distribution system design, cost
24 estimating, distribution maintenance engineering, gas
25 regulation and measurement engineering, special studies
26 involving engineering and engineering economics, prepara-
27 tion of capital budgets, preparation of gas supply
28 budgets and being involved in long-term planning includ-
29 ing 30 ^{year} supply requirements, natural gas service to new
communities -- I think was involved in something in
excess of 100 new gas distribution companies -- franchise

Lainsbury, Dusel, Dalby
In Chief

1 negotiating in many of these companies and I looked
2 after gas sales contracts for the Northwestern Utilities
3 and Canadian Western Natural Gas on large industry for
4 a time.

5 From 1967 to 1972, I joined
6 the parent of the Northwestern Utilities and Canadian
7 Western Natural Gas, I.U. International and I served
8 as chief executive officer and as chairman and/or
9 president of a group of their companies, Echo Bay
10 Mines Limited with the head office in Edmonton which
11 operates a hydrate silver mine at Fort Radium on Great
12 Bear Lake, Vancouver Island Transportation Company
13 Limited, a motor carrier in Victoria, British
14 Columbia, served as president of Ireco Industries Ltd.,
15 of Eugene, Oregon. This company made control columns
16 for all the Boeing aircraft, computer decks, aluminium
17 castings of all types and a variety of aluminium products.

Lainsbury, Dusel, Dalby
In Chief,

I also served as president of International Utilities Oil & Gas Inc., Tulsa, Oklahoma, an oil company with interests in Oklahoma and California. Included in my group of companies was International Utilities Petroleum Corporation, Calgary, which had oil interests in Alberta and Ontario; and I also was involved as the senior officer in some development we had on the North Sea through I.U. Oil & Gas Company Limited, London.

From the years 1972 through 1975, I became executive vice-president of Canadian Utilities after terminating my direct relationship with I.U. International, and as executive vice-president I was responsible for the operations of Northwest Utilities, a natural gas utility serving central and northern Alberta; Canadian Western Natural Gas Company Limited, a natural gas utility serving southern Alberta; and Alberta Power Limited, an electric power utility company serving east, central, and northern Alberta and communities in Yukon and Northwest Territories.

On May 1, 1975, I formed my own company, R.N. Dalby & Associates Ltd., and my consulting practice is directed largely to energy resource management and engineering.

Q Thank you, Mr. Dalby.

I'll ask you to start, Mr.

Lainsbury.

WITNESS LAINSBURY: All right.

Mr. Commissioner, the Mackenzie Valley Community Impact Study is the outcome of studies

Lainsbury, Dusel, Dalby
In Chief

undertaken for the Northwest Territories Association of Municipalities and is intended to provide the Association and its member communities with an indication of the magnitude and the nature of impact that might be anticipated as a result of the construction and operation of the proposed Mackenzie Valley gas pipeline. The report is intended to provide recommendations relating to those actions which might be considered in order to minimize the negative aspects, and maximize the positive aspects of anticipated municipal impact.

Q Mr. Lainsbury, excuse me, when you're talking of the gas pipeline, I take it you're talking of the Arctic Gas application?

A Yes, we are.

I think it's important to note that our study, which was essentially completed in March of 1975, has not been updated to reflect information which has become available since that time. Numerical conclusions, particularly as they relate to population projections and community impact-cost projections, should therefore be viewed only in terms of order of magnitude.

The report is based largely on information supplied by Canadian Arctic Gas Pipeline Limited and by the municipalities. Project staging and employment information is taken from the CAGPL submission to the National Energy Board and the Department of Indian Affairs & Northern Development. A detailed bibliography of source material is appended to our report.

Lainsbury, Dusel, Dalby
In Chief

1 In accordance with the terms
2 of reference established, the report is limited to
3 detailed consideration of those aspects of pipeline
4 impact which relate to areas of direct municipal
5 responsibility and concern. To this end, workshops
6 were conducted with each of the Municipal Councils in
7 order to identify the local concerns relating to
8 pipeline development, and in order to arrive at a con-
9 sensus relative to those issues which were deserving
10 of more detailed analysis in our study. Three such
11 areas of major municipal concern that were analyzed in
12 the report include population impact, capital costs
13 associated with pipeline-related growth acceleration,
14 and gas supply to the communities of the Northwest
15 Territories.

16 This presentation will deal
17 with these three topics. Recommendations resulting
18 from the impact study will be entered at a later
19 stage of these hearings.

20 I'd like to move now to a
21 brief summary of our population projections.

22 The construction and operation
23 of the Canadian Arctic Gas Pipeline will generate
24 increased permanent and temporary employment opportuni-
25 ties in the communities of the N.W.T. With such incre-
26 ased employment there will be a corresponding increase
27 in population. Population projections were established
28 for Inuvik, Fort Simpson, and Hay River, as these
29 communities will experience accelerated growth due
30 to permanent pipeline-related employment.

Lainsbury, Dusel, Dalby
In Chief

Population information gathered from the Territorial Government, the respective communities, and from consultant reports was reviewed in order to determine the normal population growth trends for each community. From this base, the estimated magnitude of pipeline impact was added to give the total population growth that might be anticipated by each of the three communities.

The pipeline impact on population was calculated using the employment information provided by CAGPL and by making certain assumptions. It was assumed that induced employment would result from pipeline activity at a rate of 1.0 times permanent pipeline jobs. It was assumed that 70% of new jobs (including both pipeline and induced jobs) would be filled by family heads. The family size of each employee was estimated in relation to his point of hire. It was assumed that employees originating outside the N.W.T. would have a family size of 2.5 persons (as per Gemini North, 1974), and employees that were hired locally would have a family size representative of that particular area. It was further assumed that employees engaged in pipeline construction would have accommodation on the construction site in compliance with the CAGPL isolation policy.

Our population projections are conservative, in that the assumption is made that employees engaged in field development will reside in the primate centres and commute to remote work locations.

I would add that this applies particularly to Inuvik.

This approach is intentional in that the population projections are intended simply to determine the maximum level of funding that may be required by the municipalities to accommodate potential growth.

The resultant population projections for Inuvik, Fort Simpson and Hay River are provided in Tables 2.1, 2.2, and 2.3 respectively.

Lainsbury, Dusel, Dalby
In Chief

Turning to table 2.1 which provides population projections for Inuvik you will note that on the column entitled "Normal Growth" which of course assumes no pipeline, the population curve is ^{seen} extending from a level of 3500 in 1975 to 5800 in 1985. This growth period is extracted from the Makale Holloway & Associates Limited general plan for Inuvik, dated October 1973 for the years 1975-1981. Beyond that point, a 5% annual increase is assumed.

Under conditions which accept a pipeline, the accelerated growth conditions, we see a growth curve ranging from a population level of 4100 in 1975 to a level of 10,100 at the end of 1985. This projection is based upon the assumptions that I have stipulated and employment data from Table 3, Section 14.F and Table 2.1.2D, Section 13B of CAGPL's March 1974 submission.

Table 2.2 provides population projections for Fort Simpson. Again, under normal growth conditions we see the population increasing from a level 1,180 in 1975 to 2,120 in 1985. This projection is taken from W. J. Franc1 & Associates report entitled "Townsite Expansion Study" of January, 1974. Again for the period 1975 - 1980. Beyond that point, a 5% annual increase is assumed.

The accelerated growth curve indicates a population increase from a level of 1,310 in 1975 to 3,020 in 1985. Again, this projection is based on the stipulated assumptions and upon employment information from Table 2.1.2D, Section 13B of CAGPL's

Lainsbury, Dusel, Dalby
In Chief

1 March 1974 submission.

2 Table 2.3 presents population
3 projections for Hay River. Here we see the normal
4 growth curve which assumes no pipeline increasing from
5 3,730 in 1975 to a level of 5,960 in 1985, as opposed
6 to the accelerated growth curve which increases from 3,920
7 in 1975 to a level of 8,740 in 1985. In this case,
8 both of these projections are taken from a Makale
9 Holloway & Associates Limited report. It's the draft
10 of their "Hay River Development Plan Updating
11 dated April, 1974.

12 These then Mr. Commissioner
13 are the population projections upon which Mr. Dusel's
14 evidence will be based.

15 WITNESS DUSEL: Sir, my
16 part of this presentation deals with the development of
17 the impact costs which will result from an acceleration
18 of growth in the three communities which we have
19 selected as being demonstrative of the impact effect.

20 IN order to demonstrate the
21 nature and the order of magnitude of the impact costs of
22 providing physical and social services to accommodate
23 accelerated growth, these impacts were calculated for
24 Inuvik, Fort Simpson and Hay River. As a matter of
25 principle however, it must be recognized that other
26 Mackenzie Valley communities could also be subjected
27 to such impacts. The general effect of the pipeline
28 will be to accelerate the need for services as compared
29 to normal growth situations. The capacities and costs
of the services required due to pipeline growth were

developed for municipal services including waterworks, sewage, roads, drainage and solid wastes disposal; and for social services including education facilities, hospital facilities and recreation facilities.

The impact costs represent the difference between normal growth conditions based upon an extrapolation of historical trends and accelerated growth conditions based upon the more rapid growth rate associated with pipeline construction and operation. The population projections which were presented by Mr. Lainsbury were used as a basis for projecting expenditures for physical and social infrastructures. If you would refer to those tables for just a moment, throughout the course of my presentation, I will from time to time in describing infrastructure development refer to the development plateaus.

If you look at the population projections for Inuvik, you will see that a population of 9,000 is expected to occur in 1983 under accelerated

Lainsbury, Dusel, Dalby
In Chief

1 growth and that population would not occur until 1994
2 under normal growth. The 9,000 population is a
3 development plateau towards which the town of Inuvik
4 will have to plan now. When that population is
5 reached, another expansion of infrastructure -- major
6 expansion of infrastructure will be required. The
7 same sort of consideration is true in the Fort Simpson
8 table where a population of 3,000 occurs approximately
9 in 1985 under accelerated growth and the same population
10 of 3,000 does not occur until 1994 under normal growth.

11 In Hay River, two plateaus
12 are evident. The first is in the order of eight to 9,000
13 and a population of about 8,000/^{occurs}in the 1983-1984
14 area under accelerated growth. That does not occur until
15 1991 under normal growth. the second plateau is 13,000
16 towards which some of the facilities such as for example
17 the water supply system has to be designed. That will
18 occur by 1994 under accelerated growth and at some
19 time beyond 1994 which we have not shown in our table
20 under normal growth.

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1 We are directly familiar
2 with some of the infrastructure systems by having
3 worked in these communities, but in those communities
4 where we did not have direct familiarity, we took our
5 information on existing infrastructure, capital costs
6 of projected development of infrastructure
7 and facility designs from various engineering reports
8 and from government documents that were prepared for
9 those communities.

10 The cost estimates contained
11 in those documents were adjusted to 1975 dollars. We
12 did this by increasing all estimates that had been
13 made prior to and including 1972 by a 7% per year
14 escalation, and those estimates that were made in 1973
15 and onwards by a 15% per year escalation in order to
16 account for general inflation.

17 Dealing specifically now
18 with the Town of Inuvik, the town is situated on the
19 eastern edge of the Mackenzie River Delta on a gentle
20 sloping plateau, elevated an average of 70 feet
21 above the normal water level of the east channel of
22 the Mackenzie River. The soils in the centre of the
23 townsite are coarse-grained and are not susceptible
24 generally to frost-heaving in the active layer.
25 Soils on the periphery of the town in new development
26 areas tend to be fine-grained and particularly suscep-
27 tible to frost-heaving. In the new residential
28 areas, single family dwellings require thick gravel
29 pads or above-ground piles to insulate the permafrost
against heat transfer from buildings.

Lainsbury, Dusel, Dalby
In Chief

Inuvik is located in the continuous permafrost zone where permafrost is over 300 feet thick. Conventional sanitary engineering technology in the form of piped services buried in the ground cannot be used due to the problems of heat loss to the surrounding frozen ground and the melting of that ground and consequent rupturing of pipes through differential settlement. Instead, in this community piped services have been constructed above-ground in insulated utilidors. This has necessitated rear of lot servicing, and numerous road-utilidor crossings in the design of the townsite.

The town presently has a sizeable commercial and institutional core and has three industrial districts, one in the centre of the town, one on the north side, and the other between the town and the airport.

The existing physical services were assessed on the basis of their ability to accommodate the existing population and the anticipated population increases due first to normal growth, and then to accelerated growth.

The existing waterworks system consists of water supply lines from Hidden Lake, from Lake B, and from the Mackenzie River. A Hidden Lake is the year-around water supply; water is pumped through a temporary summer line from Lake B, this has to be taken out of service in the winter, and water is pumped from the Mackenzie River into Hidden Lake during the winter, and this has to be taken out

1 of service during breakup. A water treatment
2 plant located at Hidden Lake includes micro-strainers and
3 fluoridation and chlorination. There is also at
4 Hidden Lake a 90,000-gallon storage tank, and from
5 this purification and storage system water is transmit-
6 ted to the distribution system which consists of
7 truck delivery in the western part of the town and
8 a pipe system and utilidors in the rest of the town.

9 Because of the -- because
10 the water from Lake B is not available during the
11 winter months, the capacity of the system to supply
12 water during that time is limited to a population of
13 about 3,000. The town's engineers advised us that it
14 was their plan to upgrade the system in 1976, with the
15 addition of two gravity sand filters at the Hidden
16 Lake plant.

17 More recently, however, we have
18 been provided with information which indicates that
19 the plan now is to construction a river intake in the
20 Mackenzie River to construct a new filtration plant
21 at the edge of town, and a 500,000-gallon storage tank
22 at that place as well. With the completion of these
23 facilities, ^{the} storage and supply system will have a
24 capacity to serve a population of 9,000 people, and
25 that's one plateau.

26 Portions of the ~~distribution~~
27 distribution system are undersized for fire flow
28 purposes, and will require upgrading to bring them to
29 appropriate standards. To bring the town's water
system up to appropriate standards to accommodate a

1 future population of 10,000 people would require a
2 second 500,000-gallon storage tank and extensions to
3 the main utilidor system to service new growth areas
4 and to upgrade the west end of town.

5 The total capital cost of
6 upgrading Inuvik's waterworks system -- and this is
7 exclusive of the distribution system -- is expected
8 to be in the order of one million dollars. The
9 distribution system is excluded from this estimate
10 because in Inuvik the secondary distribution system
11 -- the cost of the secondary distribution system is
12 expected to be self-liquidated by recovering revenues
13 from sale of lots, etc.

14 The existing sewage collection
15 system consists of pump-out truck services and utilidors.
16 Sewage treatment is provided at the present time by
17 a 44-acre sewage lagoon located near the developed
18 portion of the town. Expansion of the existing sewage
19 collection system and the replacement of the sewage
20 treatment facility will be required to accommodate
21 a future population of 10,000 people. The town's
22 engineers have advised us that a new three-cell
23 anaerobic-aerobic lagoon system on a site of about
24 265 acres has been selected to be built on the west
25 side of the east channel. This would require a transmis-
26 sion system from the town, including a 14-inch gravity
27 outfall, to a lift station, and a force main from
28 that point across the river to the lagoon site. The
29 total capital cost of these facilities, which will be
adequate for a population of 10,000, is estimated at

Lainsbury, Dusel, Dalby
In Chief

1 \$2.3 million.

2 The existing utilidor system
3 consists of a variety of above-ground designs. The
4 original system is still in operation and consists of
5 water, sewer, and steam-heating lines in the central
6 part of the town. More recent types have included the
7 wood-box utilidor, the econo-utilidor, and we under-
8 stand that a new design in the utilidor is now proposed
9 for future expansion in the town.

10 Existing water lines will
11 require upgrading to meet fire hose standards, and
12 sewage lines will require upgrading in order to handle
13 the increased load.

1 And of course, in addition,
2 new lines will have to be constructed to extend into
3 new development areas.

4 As I said earlier, the secondary
5 lines and connections will probably be charged against
6 the purchases of new residential, commercial and industrial
7 lots and will be self-liquidating.

8 The total capital costs for
9 the primary distribution system, including the construction
10 and new utilidors into new development areas and upgrading
11 of the existing ones is estimated at nine million dollars.

12 The existing road system consists
13 of roads which are gravel and dirt surface, these are
14 generally considered to be adequate providing that the
15 dust can be adequately controlled during the summer.

16 With future growth in the
17 community, there will be additional traffic loads upon
18 the existing road system and this will mean that the
19 system will have to be upgraded. This will include
20 paving, approximately one and a half miles of the
21 Mackenzie Road. Arterial and collector roads will be
22 required to be constructed into new areas as they
23 are developed and the total cost of constructing and
24 upgrading arterial and collector roads to service a
25 population of 10,000 is estimated at 5.9 million dollars.

26 Solid waste is presently
27 collected from barrels which the town has placed through-
28 out the community. Burning is encouraged before pick-up.
29 The waste disposal ground is located approximately one
30 mile from the built-up area of the town, but within the

1
2 town limits. It's been proposed that the town dispose
3 of future solid waste by means of an incinerator and
4 the estimated capital cost of building an incinerator
5 is seven hundred and thirty-five thousand dollars.

6 The capacities of the proposed
7 systems will again reach a critical stage at a 10,000
8 population. At this time, more developable land will
9 be needed and the capacities of the water system and
10 the sewage system will have to be upgraded again.

11 With respect to the social
12 and general services, those which fall under the
13 responsibility of the municipal corporation include
14 by-law enforcement, fire protection, culture and
15 recreation programmes and general administration. Other
16 community services outside the direct jurisdiction of
17 the municipal corporation include education, hospital
18 and health care programmes. These social services are
19 currently financed and administered by the Territorial
20 Government.

21 Housing in Inuvik has been
22 generally provided by the Territorial and Federal
23 governments, the oil companies and the town of Inuvik.
24 At present, most of the residential land development
25 is being undertaken by the town and at present, residential
26 lots are being sold by the town for in the order of
27 seventy-five hundred to ten thousand dollars per lot.

28 The permanent population
29 generated by the activity of building and operating
30 the Mackenzie Valley Gas Pipeline and the associated

Lainsbury, Dusel, Dalby
In Chief

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industry will require approximately 12,000 housing units to be added in the town between 1975 and 1983.

Q Excuse me, 1,200 is your evidence or 12,000?

A I'm sorry, 1,200.

THE COMMISSIONER: Let the record show 1,200. Go ahead.

A Critical housing shortages will likely be experienced by this community between 1975 and 1976 when approximately 300 additional housing units will be required and between 1978 and '79 when a further 300 housing units will be required to house those employees attached to the operations of the pipeline.

This projection is based on an average occupancy rate used by Makale in the General Plan for Inuvik, 1973.

The municipal responsibility, with respect to the demands for housing will lie mainly in the field of land development. The municipality will assume the role of land developer and will ensure that enough serviced lots are available so that necessary permanent housing can be constructed.

In the initial stages, in order to meet the demand, it may be necessary to develop mobile home lots which can later be converted into single family or multi-family lots.

Each mobile home will have to be self-contained and will have to utilize services

as incinerator toilets, waste water storage tanks and facilities to handle water delivery by truck. As the extensions to the utilidor system becomes economic and practically feasible into these new development areas, these lots should be tied into the municipal water and sewer systems.

With respect to education, our information was taken from the General Plan for Inuvik, 1973.

Currently Inuvik has 37 elementary classrooms and 26 high school classrooms. This supply should accommodate the total educational demand until 1977 after which time additional facilities will have to be provided. The assumptions made by Makale in preparing the General Plan for Inuvik, 1973, with respect to the education demand in Inuvik are as follows;

- A. An average of 300 students per 1000 of population.
- B. Of the total students, 38 percent will be high-school students, grades 7 to 12, 62 percent will be elementary students, grades 1 to 6.
- C. No provision is made for accommodating education levels above that of high school in the delta region.
- D. Elementary classroom requirements are based on 28 students per classroom.
- E. High school classroom requirements are based on 25 students per classroom.
- F. No allowance has been made in the estimate

Lainsbury, Dusel, Dalby
In Chief

1 core school facilities for population assigned to
2 pipeline related population increase.

3 The demand for elementary
4 and high school classrooms will increase substantially
5 between the years 1975 and 1976 and again between the
6 years 1978 and '79. The total number of additional
7 elementary classrooms which will be required between
8 the years of 1975 and '83 will be approximately 29.
9 Similarly, 20 additional high school classrooms will
10 be required between the years 1975 and 1983 as a
11 result of pipeline activity.

12 At present all educational
13 facilities in Inuvik fall under the responsibility of
14 the Territorial government. All property owners presently
15 paying educational tax of 15 mills to the Territorial
16 government.

17 Should Inuvik eventually
18 convert to a School Board system, as outlined in the
19 proposed educational ordinance for the Northwest
20 Territories, then considerable tax load would fall
21 upon the residents of Inuvik in the absence of major
22 capital and operating grant structures being provided.
23 At present, the Territorial government, through the
24 Department of Education provides all school facilities
25 in the three existing School Boards at Yellowknife and
26 Rae-Edso. The three School Boards are presently responsible
27 for carrying our capital programmes but are funded for
28 100 percent of the cost by the Territorial Capital
29 Grants.

The School Boards are also

1
2 awarded a grant of 75 percent of their
3 approved operating and maintenance budget.

4 THE COMMISSIONER: Excuse
5 me, do the School Boards raise the remaining 25 percent
6 from the local taxpayers?

7 A Yes.

8 Q And that is -- it is
9 only in those two areas that there is any local levy
10 on the local taxpayer for schools?

11 A Well, there is a local
12 levy of 15 mills.

13 Q Oh yes, but that's
14 levied by the Territorial government.

15 A Right.

16 But the local -- that's
17 paid to the Territorial government, only in the areas
18 that are served by School Boards is there a local
19 levy specifically to those School Boards.

20 Q Is the amount that is
21 -- is the extent of the levy any different depending
22 on whether there is a School Board or not, do you know?

23 A You mean the total amount
24 amount?

25 Q Yes, well you say
26 a 15 mill rate on all property owners. Would someone
27 living in Yellowknife be subject to any greater levy
28 that's all I'm getting at.

29 A I'm not sure. I think
that they are quite similar although I am not sure.

Lainsbury, Dusel, Dalby
In Chief

1 With respect to health care,
2 Inuvik has a regional hospital with 129 bed-capacity.
3 This is adequate for a regional population of
4 approximately 37,000 people. Although there are
5 likely to be increasing demands placed upon the
6 hospital facilities in Inuvik due to the permanent
7 population increase, and due to the increase in
8 industrial activity, arising out of pipeline construc-
9 tion, it's assumed that the present hospital capacity
10 will be able to handle the anticipated caseload, and
11 this is based upon experience that has been recorded
12 with respect to the Trans-Alaska Pipeline. There it
13 was determined that the increase in patient load on
14 Alaskan hospitals was not a significant factor in
15 their day to day operations.

16 The existing recreation facilities
17 in Inuvik consist of a library, hockey rink,
18 curling rink, softball diamond, and a gymnasium for
19 sports activities. Facilities such as a pool hall,
20 a movie theatre, taverns and lounges, also provide
21 recreational outlets for the residents of Inuvik.

22 The demand for recreational
23 facilities in Inuvik cannot be projected using southern
24 standards only. Severe climatic conditions, long
25 hours with or without daylight, and traditional cultural
26 recreation pursuits affect the recreation demand
27 analysis significantly.

28 Many of the workers who will
29 be employed in the pipeline-related activities will be
30 from Southern Canada and I would ask that you make an

1 insertion, sir. The intent is that that should read,
2 "will be from Southern Canada,"
3 not "will be from Canada." There's a significant
4 difference there, and they will form a significant
5 portion of the population. Any prolonged exposure to
6 northern life in Inuvik will likely bring extreme
7 pressures to bear upon the municipal corporation for
8 the provision of first-class recreational facilities
9 based upon southern aspirations.

10 It is felt locally in Inuvik
11 that an outdoor swimming pool would be an asset to
12 the community in that it would facilitate year-around
13 water safety instruction. Such a facility is costly,
14 both in terms of initial capital and subsequent
15 maintenance and operation requirements. Future
16 recreation demand may be significantly altered with
17 the provision of improved television reception in the
18 region from the Anik project.

19 The responsibility of providing
20 recreation and cultural programs falls almost --

21 THE COMMISSIONER: Excuse me,
22 what happens when they get television? Does it moderate?
23 Does everybody stay home, or do they get ideas from
24 television that lead them to accelerate their demands?
25 Or are you just sort of spinning this off for us to
26 think about?

27 A Largely spinning it off
28 for you to think about. However, I think the general
29 experience has been that the participation in recreation
30 -- active participation in recreation -- declines when

Lainsbury, Dusel, Dalby
In Chief

1 television becomes available. I can say from exper-
2 ience that that's happened in my family, not only in
3 recreation but also in yard work.

4 The applicant has specifically
5 addressed itself to the topic of recreation facilities
6 in its stated socio-economic policies, and sir, the
7 applicant we are referring to is Canadian Arctic Gas
8 Pipeline. It will be of critical importance to the
9 applicant to ensure that the Town of Inuvik will pro-
10 vide first-class recreation facilities comparable to
11 the best that the south has to offer. The purpose
12 of providing these facilities would be to reduce
13 turnover in permanent staff who find themselves
14 faced with living in Northern Canada. This has been
15 recognized by the applicant in their socio-economic
16 policy. It is important that participation by the
17 applicant in the provision of recreational facilities
18 in Inuvik be accomplished in such a way as to reinforce
19 municipal programs, rather than to establish
20 independent company-owned facilities.

21 Police protection in the
22 community is presently divided between the R.C.M.P.
23 and the Municipal By-Law Enforcement Officer. The
24 present Fire Department consists of a 24-man volunteer
25 Fire Department, and two pumpers. The demand for
26 these services, such as fire protection, by-law
27 enforcement, and general administration, will probably
28 increase substantially as more people enter the
29 community. We base this prediction upon experience
30 which has been reported in the case of with which we

1 have had direct contact, in the case of Grande Prairie
2 and Fort McMurray in Alberta, and which has been
3 reported in Alaska, and the reference here is to
4 appendix "E", page 5 of the impact study report.

5 There were notable increases
6 in the per capita operating expenditures for fire
7 protection, by-law enforcement, culture and recreation,
8 and generally administration in these areas as
9 compared to the trends which have been established
10 in normal growth periods.

11 The revenue required by the
12 municipality to offset increasing expenditure has been
13 generated mainly through taxation, grants in lieu of
14 taxation, and revenue from owned forces, primarily,
15 land. A marked change appeared in 1970 when Inuvik
16 achieved town status. Since 1971 the proportion of
17 the general revenue generated by government transfer
18 payments has steadily decreased from 30% in 1970 to
19 21% in 1973. The responsibility for financing exten-
20 sions to the utilidor system was taken over by the
21 town in 1973, and expenditures in that year amounted
22 to approximately \$133,000.

23 N.C.P.C. is now responsible for
24 the operation of the existing system, and for construction
25 of future facilities. The anticipated financial impact
26 upon the community as the result of accelerated growth
27 and other effects of pipeline-related activities have
28 been estimated for the physical and social services.
29 The cost of servicing land internally will probably
continue to be self-liquidating, being recovered in the

Lainsbury, Dusel, Dalby
In Chief

1 sale of serviced lots. The anticipated financial
2 demands in 1975 present worth dollars, as a result
3 of the pipeline, has been forecast over the study
4 period in the table which follows: I won't go through
5 the table except to make a few remarks about it.

6 Under "physical services",
7 the total for physical services is \$4,873,000. The
8 actual capital costs which will have to be expended
9 over that period of 1975 to 1983 is in the order of
10 \$18.7 million. The \$4.8 million is the difference
11 -- is the present value of the difference between the
12 amount of capital cost which would have to be incurred
13 under normal conditions, and that which will have to
14 be incurred under accelerated growth conditions. The
15 same is true of the social services.

16 Under "social services" the
17 actual capital cost in that period is \$2.6 million,
18 and the increase over normal growth, present value of
19 the increase over normal growth is \$1.2 million.

20 This table shows that the
21 effect of accelerated growth due to the pipeline will
22 be something in the order of \$14.8 million in total.
23 A present value of \$14.8 million, and out of that
24 \$14.8 million, the municipal corporation will be
25 responsible for administering approximately 10.9, and
26 the difference will be carried by the Territorial
27 Government.

28 Dealing with the Village of
29 Fort Simpson. The Village of Fort Simpson is located
30 on an island immediately downstream of the confluence.

27

Lainsbury, Dusel, Dalby
In Chief

of the Mackenzie and Liard Rivers. The island rises gradually from the river in three terraces.

THE COMMISSIONER: I think if you don't mind, we'll stop just a few minutes for coffee and then you can carry on afterwards.

Mr. Goudge, you might speak with Mr. Sigler about our time-table for today and tomorrow, and if you can round up some representatives of the people who want to build this pipeline, and ask them what they think about that schedule.

MR. GOUDGE: I had a good crack at cross-examination yesterday.

THE COMMISSIONER: Yes.

(QUALIFICATIONS & EVIDENCE OF MESSRS. LAINSBURY,

DUSEL & DALBY MARKED EXHIBIT 702)

(MACKENZIE VALLEY PIPELINE COMMUNITY IMPACT STUDY, DECEMBER 1975 MARKED EXHIBIT 703)

(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

Lainsbury, Dusel, Dalby
In Chief

(PROCEEDINGS RESUMED PURSUANT ADJOURNMENT)

THE COMMISSIONER: Well come to order ladies and gentlemen. I'd ask Mr. Dusel to start again at the village of Fort Simpson.

WITNESS DUSEL: The site of the village of Fort Simpson is located on an island immediately downstream of the confluence of the Mackenzie and the Liard Rivers. The island rises gradually from river in three terraces which have stratified soils of sandy silt, gravel and clay beds. The island is joined to the mainland by a causeway on the southwest bank of the Mackenzie River. From this point, the main roads reach the settlement to an industrial transporational zone situated on the Liard River between the town site and the junction with the Mackenzie highway. The community is situated in the middle of the discontinuous permafrost zone. The climate in the Fort Simpson area is such that it is possible to have conventionally installed buried utlities although some caution must be exercised to avoid islands of permafrost.

The existing physical services of water, sewerage, roads, drainage and solid waste disposal were assessed for their ability to service the existing population and the anticipated population increases due to normal and accelerated growth. Studies that were carried out previously for the village of Fort Simpson were liberally drawn upon. The existing water supply treatment and distribution system consists of an intake in the Mackenzie River, supplemented in the

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Lainsbury, Dusel, Dalby
In Chief

1 summer by a spring on the mainland, a water treatment
2 plant and a looped water distribution system. The
3 water intake on the Mackenzie River is adequate for a
4 population of 940. The water treatment plant (with a
5 new 500 gallon per minute filter constructed) and the
6 storage system will serve a population of 800 people.

7 In order to bring the community's
8 water system up to appropriate standards for 3,000
9 people, a new water intake (a 14" diameter pipe) and an
10 extension to the old treatment plant, a two and a half
11 million gallon storage reservoir and a new water
12 distribution system for about 1,500 people will have to
13 be constructed. The total cost to improve the village's
14 water system has been estimated at \$3.8 million.

15 The existing sewage collection
16 system consists of 8" trunk sewers which discharge
17 without treatment into the Mackenzie River. A sewerage
18 collection system would be required to expand the town-
19 site onto the mainland and the effluent from the island
20 would require a lift station and forcemain for trans-
21 mission to the proposed sewage lagoon. The sewage
22 lagoon would be located in the flats on the mainland
23 downstream from the community. The total capital cost
24 of upgrading the village's sewerage system to serve
25 3,000 people has been estimated at \$1.5 million.

26 The present road system
27 consists of the Mackenzie highway and an internal road
28 network on the island which are gravelled and which are
29 considered adequate. Future expansion of the village
onto the mainland will necessitate the building of another

Lainsbury, Dusel, Dalby
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snave crossing at the western end of the island. In addition, a new internal road network must be constructed on the mainland to provide road services to individual lots. The estimated capital cost of constructing new roads is \$1.45 million.

The cost of drainage has been included in the roads and a sanitary land -- their sanitary landfill site is considered to be satisfactory.

There are two special development plateaus which are identifiable by a significant cost increases. The first plateau occurs in 1975 regardless of the rate of growth. The second plateau occurs at the beginning of the development of the mainland which takes place in 1979 under normal growth and in 1977 under accelerated growth.

The capacities of the proposed system will be adequate beyond a population of 3,000 with minor modifications and additions.

Fort Simpson's major services are presently inadequate and would meet --

THE COMMISSIONER: Q Excuse me, just so I understand that reference to the -- earlier to planning plateaus. That is you've planned in the case of Simpson to a population of something like 3,000.

A Yes.

Q You don't seek to plan beyond that -- the attainment of that population. But -- sorry. I want to understand this as we go along. So there appears to be two special development plateaus which are identifiable by significant cost increases

Main Entry, Dugel, Dalby
in Chief

The first plateau appears in 1970 under the rate of growth. The second plateau appears at the beginning of the development of the mainland. That's to take place in '79 under normal growth.

Do you mean that the --
well I am sorry -- do you see my difficulty there?

A Yes. Yes, I do.

Q O.K.

A The existing systems are inadequate at the present time so I am stating that there is a development plateau right now. That something has to be done to improve the systems at the present time in 1975-76. Then another sort of major expansion will have to occur at a population of approximately 1,500 to 1,700 which is 1977 under accelerated growth in 1979 under normal growth. The reason for this is just the way in which waterworks and sewerage facilities have to be developed.

A Yes.

A -- the way in which components have to be added. At that time -- 1979 or 1977 -- depending on which rate of growth we're talking about, development will occur that will be adequate to a population of 3,000 with minor modifications to the systems which will be developed at that plateau, it can go beyond the 3,000.

Q That -- yes. O.K. I understand. They you are saying that there is -- the development of these systems imposes its own limitations. You just can't put an extra ten foot length of pipe on

Lainsbury, Dusel, Dalby
In Chief

A No. The development of the various component systems is tied into economic design periods and depending on the type of system, for example the difficulty of construction and the cost of construction, the difference in cost between building additional capacity now or providing additional capacity in the future -- all of those things are elements which determine the economic design period for any specific component.

O Right.

A Because of that, we have these development plateaus when these components are brought onstream.

Q Right. Got it. Thank you.

A Most of the existing housing stock in Fort Simpson is either self-owned, supplied by northern rental housing programs or provided by both senior levels of government. Land development in the past has been undertaken almost exclusively by the two senior levels of government. The Village of Fort Simpson has occasionally gained some revenues from the annual sale of one or two lots. IN other words, what we are saying here is that by comparison with Inuvik and well described later, the Town of Hay River, the Village of Fort Simpson is not heavily engaged in developing serviced lots and gaining the -- recovering the cost of those serviced lots from the sale.

Lainsbury, Pusel, Dalby
In Chief

Q Yes.

A To accommodate the permanent population generated by pipeline activities will require that approximately 205 additional housing units be added to the existing housing stock between the years 1975 and 1983. Critical housing shortages will likely be experienced by the community between 1977 and 1978. Approximately 65 new housing units should be constructed in 1977 and 1978 in order to accommodate the anticipated population influx resulting from the start-up of operational activities on the gas pipeline. The total number of housing units required to be added to the Village of Fort Simpson as a result of the pipeline activities between 1975 and 1980 will amount to approximately 200 housing units.

It's been assumed that an occupancy rate of 3.5 persons per housing units can be considered as being typical of the resulting population influx.

It is anticipated that the municipal corporation may take on additional responsibilities if the village acquires town status in the near future. Experience in Hay River and in Inuvik has shown that the land development function can be adequately administered by the municipal corporation and that in this manner, the price of lots can be minimized to the eventual land purchaser.

During the periods where the housing demand will be high in Fort Simpson, the supply of traditional single family units may lag behind the accelerated demand. It is suggested that mobile home subdivisions be designed with standard single family dwelling lots. This could partially solve any housing shortages anticipated in Fort Simpson since mobile units can easily be transported via the Mackenzie Highway to the village. As construction capacity becomes available in the future, the mobile homes can be replaced by conventional structures, and I should say sir, that this is based primarily on experience in Fort McMurray, where because of extremely critical housing shortages, mobile units were put onto residential lots, three units onto two residential lots and were later removed and the residential lots utilized for two standard single family dwellings.

Assumptions for projecting
education demands in Fort Simpson are stated as follows;

1. 300 students per 1000 population.
- 60 percent elementary students, 40 percent
high school students.
- 28 students per elementary classroom and 25 students
per high school classroom.
- Due to the Territorial Education policy of
decentralization, Fort Simpson will offer a
complete high school programme in the future.

The present supply of class-
room space in Fort Simpson consists of 16 classrooms.
These facilities should be adequate until 1977 when
three additional classrooms will be required. It will
be necessary for the community to double its educational
facilities to approximately 31 classrooms in 1983.
Approximately half of the communities response to
increasing educational demand will be due to pipeline
related activities.

The future educational demands
for classroom facilities due to pipeline related activities
has been estimated for 1980 at five elementary classrooms
and four high school classrooms. These additional class-
rooms have been added to the normal educational demand
to give a total demand in 1980 of fifteen elementary
classrooms and eleven high school classrooms.

It is indeed likely that the
proposed Fort Simpson high school will be able to serve
both the regional population and the classroom

Lainsbury, Dusel, Dalty
In Chief

demand stated for the high school should be interpreted as being only Fort Simpson's demand component for the overall facility, that is the demand which was stated in the foregoing.

The regional demand could not only significantly increase the classroom demand, but could as well require the expansion of hostel facilities within the community. Fort Simpson could emerge as a regional education center for the Upper Mackenzie Sub-Region.

In 1973, a 12 bed hospital was constructed in Fort Simpson. This hospital is presently staffed with one doctor and six nurses. Based on the criteria of three and a half beds per 1000 population, the existing 12 bed hospital facility will be adequate to supply Fort Simpson and the region with hospital services until 1983. By applying the standard to a 1983 population of 2,740, the hospital demand is calculated as being 10 beds to accommodate growth as a result of normal and pipeline induced population increases.

An additional doctor to make local surgery possible has been requested by the community. Local surgery would place additional demand upon the existing hospital bed capacity in that present surgery cases are sent out to other centers for treatment. This new demand might require the hospital sooner than would otherwise be the case.

Existing recreation facilities

Lainsbury, Dusel, Dalby
In Chief

1 in Fort Simpson consist of a curling rink, arena, track,
2 tennis court, ball diamond, gymnasium and an outdoor
3 swimming pool. With an accelerated population growth
4 and an increase in the seasonal transient population,
5 the demand on existing recreational facilities will
6 increase. A year around swimming pool will likely
7 be required in the future as the population will more
8 than double between 1975 and 1983.

9 Since the applicant has
10 stated a desire to work with communities which will
11 house their operations and maintenance staff, it
12 would be advisable for the village to take advantage
13 of any assistance that the applicant could provide in
14 obtaining a civic recreation complex.

15 Police protection in the
16 community is presently the responsibility of the R.C.M.P.
17 The present fire department consists of a 12 man volunteer
18 fire department and one pumper truck.

19 The demand for other services,
20 such as fire protection, by-law enforcement and general
21 administration will likely increase significantly as
22 more people enter the community.

23 The expenditures incurred by
24 the municipal corporation have remained relatively
25 stable between 1971 and 1973 at approximately a hundred
26 thousand dollars per year. Even though the total
27 budget has remained the same, there have been shifts
28 in the expenditures, most notably, with increased
29 spending for general government services. The preliminary
financial statement for 1974 shows and increase in

1 expenditures from one hundred thousand dollars in the
2 previous year to five hundred thousand dollars in 1974.
3 Total expenditures on transportation services , mainly
4 road maintenance, declined from approximately fifty-five
5 thousand in 1971 to twelve thousand in 1973.

6 The revenue generated by
7 the corporation to off-set expenditures has been acquired
8 mainly from the senior levels of government in the form
9 of grants and grants in lieu of taxation. The corpora-
10 tion dependancy upon this revenue has sharply declined
11 from 97 percent in 1971 to 70 percent in
12 1973. During the same period, the total revenue generated
13 by taxation has increased from six thousand in 1971 to
14 twenty-one thousand in 1973. The preliminary financial
15 statements for 1974 shows an increase in revenue
16 generated by taxation from twenty-one thousand to
17 eighty-two thousand.

18 The demand for extra funds,
19 as a result of pipeline impact costs, has been projected
20 for Fort Simpson from 1975 to 1983. The capital and
21 operating impact cost have been estimated for physical
22 services such as water, sewer and roads and social
23 services such as education, culture, recreation, police
24 and fire protection and general administration.

25 A summary of these impact
26 costs, again expressed in 1975 present worth dollars
27 is presented in the following table.

28 Again, I won't give details
29 of the table, but under "Physical Services", the present

Lainsbury, Dusel, Dalby
In Cheif

value of the difference in capital cost for physical services, between normal growth and accelerated growth is four hundred and twenty-nine thousand, six hundred dollars. The total capital cost that is incurred over that period is 6.8 million dollars.

With respect to social services, the difference, present value of the difference is two hundred and thirty-two thousand, seven hundred and the total capital budget required is one half million dollars.

The financial impact on the basis of this table of pipeline related activities on the village of Fort Simpson is estimated to be in the order of 1.6 million dollars, present worth, 1975 dollars, of which the municipal corporation would be responsible for administering 0.8 million dollars, and I would ask sir, that you change that in your text. It is written 8 million dollars, which is obviously incorrect. It should be 0.8 million dollars.

Since the village of Fort Simpson will likely emerge as the dominant center in the Upper Mackenzie Sub-Region and since the projected population for 1983 is 2,740 people, the village could apply to the Territorial government for town status. This would double the ^{present} borrowing powers of 10 percent of taxable assessment to 20 percent. Even though the financial impact upon the community, as a result of the pipeline will be relatively small by comparison to the other communities, a considerable amount of

funds will be required to upgrade existing facilities to an appropriate standard, and there may be some advantage to going to town status.

The town of Hay River. Hay River is located on the south shore of Great Slave Lake at the mouth of the Hay River. The townsite consists of two concentrations of development, the Old Town on Vale Island and the New Town on the south mainland, west of the river. The Old Town is joined to the mainland by a rail and highway bridge over the west channel and is located three and a half miles from the central business district of the New Town.

Vale Island, has, in the past been susceptible to flooding during spring break-up and considerable land preparation is required to minimize any future damage due to flooding.

The town of Hay River is situated in the fringe -- southern fringe of the discontinuous permafrost zone and is therefore suitable for the conventional installation of underground utilities.

The existing physical services of water, sewage, roads, drainage and solid waste disposal were again assessed for their ability to accommodate the existing population and the anticipated increases due to normal and accelerated growth. The existing water supply, treatment and distribution system consists of a water intake on Great Slave Lake, fluoridation and chlorination treatment, a water storage capacity totalling one and a half million gallons and a complete distribution

Lainsbury, Dusel, Fally
In Chief

1
2 system in the New Town with a partial distribution system
3 on Vale Island and water truck delivery system in the
4 Old Town on Vale Island.

5 The existing water supply
6 system is capable of serving 3,300 people. To bring
7 the town's water system up to appropriate standards to
8 accommodate present and future growth will require a
9 new 24 inch diameter intake pipe, a new 16 inch diameter
10 transmission line, a new one million gallon storage
11 reservoir and feeder mains to new development areas and
12 a new feeder main into the industrial area on Vale Island.

13 The total cost of upgrading
14 the town's water system to meet anticipated growth
15 has been estimated at seven and one half million dollars.
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Lainsbury, Dusel, Dalby
In Chief

This, I would emphasize again, includes the internal services, the cost of which is to be recovered by sale of lots.

The present sewage collection system consists of a network of gravity sewers, lift stations and forcemains. This system is capable of accommodating 4,100 people. Sewage treatment facilities consist of a two-cell anaerobic lagoon. The existing lagoon system is operating beyond capacity and is inadequate. To bring the sewage collection and treatment system up to handle increased growth would require that a new three-cell lagoon be built immediately. Areas 1-B and 2-A (and these are designated development areas, future development areas) would also require services to accommodate future growth. The total capital cost required to build these sewage facilities is estimated at \$2.8 million. I would say, sir, that this program of upgrading this sewage treatment system is already partially implemented.

The major thoroughfare is the Hay River Highway, which parallels the railroad tracks and extends onto Vale Island. This highway presently is surfaced with cold mix asphaltic material. All other roads, except for a short section which is paved in the downtown area, are gravelled and are considered adequate. The basic street network for expansion areas include the upgrading of the Mackenzie Highway through the town, as well as the construction of arterial and collector streets. Local streets within the development areas have been considered as

1 on-site services and are not included in the estimates
2 of capital cost for services to these specific areas.
3 When area 1-B is developed (this is in the development
4 sequence the first area) an unpaved collector and
5 arterial street will be required. When area 2-A is
6 required, the Mackenzie Highway -- sorry, that should
7 read the Hay River Highway -- should be improved to
8 a higher standard which would include four lanes.

9 THE COMMISSIONER: Also should
10 the earlier reference to the Mackenzie Highway through
11 town be altered?

12 A Yes.

13 The designation is that it's
14 the Mackenzie Highway up to Enterprise, and the Hay
15 River Highway from Enterprise to --

16 Q Into town.

17 A -- through Hay River, yes.
18 Also at this time, all the roads built in the first
19 stage should be paved. The estimated cost of these
20 capital requirements is \$4.5 million. Drainage in
21 Hay River is presently handled mostly by open
22 ditches, although the downtown area has some curb and
23 gutter. There is no storm sewer system in the town.
24 At the present time with rapid growth occurring,
25 drainage can be provided initially by means of a
26 system of ditches designed to be compatible with the
27 future storm sewer system. In the new townsite, east
28 of the railway the drainage pattern has already been
29 identified and the main discharge channels have been
constructed. The proposed drainage system consists

Lainsbury, Dusel, Dalby
In Chief

1 almost entirely of open ditches, and the estimated
2 capital cost of this system is \$668,000. Again, this
3 system has been partially implemented, the construction
4 of this total system.

5 At the present time, solid
6 waste is collected under contract in the new townsite
7 and on Vale Island. The disposal area is a sanitary
8 landfill site owned by the Town of Hay River, and
9 operated by a collection contractor under a franchise
10 agreement. The disposal area is located west of
11 the railway, approximately one mile south of the
12 town off the Mackenzie Highway. A new sanitary
13 landfill site will be required in 1975, and investi-
14 gations are presently being carried out to locate
15 such a site. It's estimated that the development of
16 such a site will cost in the order of \$29,000.

17 There are three special
18 development plateaus identifiable by significant cost
19 increases. The first occurs in 1975 to 1976, regardless
20 of the rate of growth. The second plateau occurs at
21 the beginning of development area 1-B, which takes
22 place in 1980 under normal growth, and 1977 under
23 accelerated growth. The third plateau occurs with
24 the development of area 2-A, which takes place in 1990
25 under normal growth, and in 1984 under accelerated
26 growth.

27 The capacities of the proposed
28 systems will be adequate beyond a population of 13,000
29 with some minor modifications and additions. Again,
30 the final development plateau will be designed for a

1 population of 13,000, but the design will be such that
2 with minor modifications and additions we can go
3 beyond that.

4 Under the present municipal
5 ordinance in the Northwest Territories, the municipal
6 corporations' responsibilities include by-law enforce-
7 ment, fire protection, culture and recreation programs,
8 and general administration. Other community concerns
9 fall outside the legal jurisdiction of the municipal
10 corporations, such as education and health care
11 programs, are currently financed and administered by
12 the Territorial Government, and to some extent by
13 private interests.

14 Housing in Hay River has been
15 generally provided by the Territorial and Federal
16 Governments, by private companies and by the Town of
17 Hay River. Residential land development is presently
18 being undertaken by the town, in the new town, and
19 serviced lots are being sold for between \$8,000 and
20 \$10,000 each. At present the estimated 1975 permanent
21 population of 3,730 persons is accommodated in 1,028
22 housing units. Estimated population growth in Hay
23 River as a result of normal growth between 1975 and
24 1983 will require an additional 465 housing units to
25 be constructed in that period. However, under acceler-
26 ated growth, between 1975 and 1983 the housing demand
27 will almost triple to 1,205 housing units. There may
28 also be a requirement for the total or partial
29 re-location of some of the residents presently resid-
30 ing in the old town on Vale Island. The reason for

Laisnbury, Dusel, Dalby
In Chief

1 this is that with the development of the Mackenzie
2 Valley Pipeline, there will be transportation require-
3 ments developed on Vale Island which will necessitate
4 expanding into areas which are presently occupied by
5 residential development. So that development will
6 have to be moved out and accommodated elsewhere.

7 Makale has estimated that
8 approximately 208 housing units will be required to
9 relocate these residents, raising the total demand for
10 housing units to 1,413. Over a 9-year period this
11 would require approximately 160 housing units to be
12 brought onstream each year.

13 Hay River at present has 220
14 single family lots; 140 mobile home lots; and 288 multi-
15 family units constructed or planned for development.
16 According to the general plan and housing bids projected
17 therein, it's anticipated that the single family and
18 multi-family units will satisfy the anticipated demand
19 due to normal growth till 1979. However, with the
20 pipeline and with accelerated growth, the supply of
21 single family residential lots will only be adequate
22 until 1977. The present stock of mobile home lots
23 will accommodate the anticipated demand until 1979,
24 depending on the timing of any residential re-locations
25 from Vale Island.

26 With the construction of
27 288 multi-family units there should be adequate
28 multi-family accommodation until after 1983.

29 Temporary population influx
as a result of pipeline development may alter the demand

Lainbury, Dusel, Dalby
In Chief

1 for all types of housing units. The community response
2 to the demand for housing will accommodate the popula-
3 tion influx, will lie mainly in the field of land
4 development. The municipal corporation, assuming
5 the role of chief land developer in the town, will be
6 required to ensure that enough serviced lots are
7 available so that the necessary permanent housing may
8 be constructed.

9 Evidence to date has shown
10 that the town is presently preparing itself to adequate-
11 ly meet this demand for increased population growth.
12 Any additional requirements for public housing will
13 be negotiated between the town, Territorial Housing
14 Corporation, and Central Mortgage & Housing Corporation.

15 Considerable controversy has
16 surrounded the anticipated impact of industrial
17 development of Hay River on the present residence in
18 the old town on Vale Island. Studies to date have
19 shown that additional industrial land will be required
20 between the existing waterfront area on Vale Island,
21 and this was the reference that I made earlier.

22 The present educational
23 facilities consist of 27 elementary classrooms to
24 handle students in kindergarten to Grade 7. The Diamond
25 Jenness Secondary School provides 14 High School class-
26 rooms for Grades 7 to 12.

27 The assumptions used for pro-
28 jecting educational demand in Hay River are as follows:
29 A total of 264 students per 1,000 population. Kindergar-
ten to Grade 3, 89 students per 1,000 population. Grades

Lainsbury, Dusel, Dalby
In Chief

4 to 7, 95 students per 1,000 population. Grades 8 to 12, 80 students per 1,000 population.

One classroom will accommodate 25 students. The increased demand for classroom space, which will be placed upon the Town of Hay River as a result of pipeline-related activities, will amount to 24 additional classrooms between 1975 and 1983. Under the present system in the Northwest Territories, the Town of Hay River has no responsibility for providing education facilities or operating educational programs. All property-owners pay an education tax of 15 mills to the Territorial Government. Should the Town of Hay River eventually convert to a School Board education system, as planned in the proposed education ordinance for the Northwest Territories, then a considerable tax load will fall upon the residents of Hay River in the absence of major capital and operating grant structures.

For purposes of clarity, sir, I should say that in the past year the levy for education in Hay River was reduced to 10 mills. Whether this will occur again in this current year or not, I don't know.

At present the town has a 24-bed hospital. This hospital provides regional health services to the Hay River area. Using an approximate standard of $3\frac{1}{2}$ beds per 1,000 population, this hospital can accommodate a regional population of 6,800 people. This approaches the Hay River regional population in the summer and suggests that this hospital

Lainsbury, Dusel, Dalby
In Chief

1 is presently operating at c apacity.

2 Plans are being made to increase
3 the hospital capacity in the near future and in fact
4 the expansion of the hospital is under way, I under-
5 stand to a capacity approximately double the original
6 bed capacity.

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In Chief

The Town of Hay River will be the only population center which is likely to grow substantially as a result of pipeline activities within the existing Hay River hospital region. It can be calculated that the hospital should be expanded to at least 15 additional beds by the year 1983. Approximately nine beds or 60% of the increased hospital facility demand can be attributable to pipeline activities. However, this projection is limited to considering permanent population only. In the event of increased transient population with pipeline development, this may alter significantly the demand placed on the hospital facilities in Hay River. This may necessitate the provision of a much larger facility than is presently envisioned.

Present recreation facilities in Hay River consist of a modern community recreation center including an arena, a curling rink and an indoor swimming pool, baseball diamonds and tennis courts the Northwest Territories Campground and a natural beach. Recently, the YMCA has become involved in the town and is conducting a recreation leadership program which will impart skills to local residents in the hope that they will be able to operate their own programs. Commercial recreation facilities such as pool halls, movie theatres, bars and lounges also provide leisure time outlets for residents in Hay River.

The demand for recreation facilities in the communities surrounding Great Slave Lake cannot be projected using the southern standards

1 exclusively. However, because of Hay River's relatively
2 mild climate by comparison with the Mackenzie Delta
3 communities, southern Canadian standards for recreation
4 are more applicable in this region than in the delta
5 area. The Hay River region is also well endowed with
6 natural recreational features such as the Great Slave
7 Lake and numerous waterfalls. Also Hay River enjoys a
8 relatively good regional road network which reduces the
9 feeling of isolation and allows families and individuals
10 to pursue their own individual recreational pursuits
11 into the region, particularly during the summer season.

12 At present Hay River enjoys a
13 relatively high standard of recreation facilities.
14 However, the sports complex which was constructed in 1969
15 is not being utilized to its full potential and the
16 complex is expensive to operate and maintain.

17 Since the responsibility for
18 providing recreation and cultural programs falls almost
19 exclusively upon the municipality, it is predicted that
20 considerable impact, both financial and capital and
21 operational will be exerted upon the municipal corpora-
22 tion. Since the Town of Hay River has not been identi-
23 fied as an operational headquarters by the applicant,
24 it can be assumed that the applicant will not become
25 directly involved in any cost sharing programs for
26 recreational facilities.

27 In the light of the present
28 Territorial grant structures which provide -- which
29 supplies to each municipality a recreation operational
30 grant of \$5.00 per capita, the present Hay River

Lainsbury, Dusel, Dalby
In Chief

1 recreation and cultural budget of approximately \$35.00
2 per capita is obtained largely from the taxpayer. If
3 the community is going to respond to the anticipated
4 increase in demand for recreational expenditures, then
5 it is conceivable that the taxpayers in Hay River will
6 have to assume this increased responsibility under the
7 terms of current legislation.

8 Police protection in the
9 community is presently divided between the R.C.M.P.
10 and a municipal by-law enforcement officer. The existing
11 fire department consists of a 24 man volunteer fire
12 department with three fire halls equipped with modern
13 pumper trucks and equipment.

14 The demand for other services
15 such as fire protection, by-law enforcement and general
16 administration will probably increase substantially as
17 more people enter this community.

18 The expenditures incurred by
19 the Municipal Corporation of Hay River have almost
20 tripled from \$396,000 in 1968 to \$1,116,800 in 1973.
21 During this same period, the permanent population
22 doubled. Assuming a 5% per year inflation rate over
23 this period, the annual real growth in per capita
24 expenditure was 10%. Significant expenditure increases
25 have been experienced in the areas of protection services,
26 recreation and community services and debt retirement.

27 Total revenues over the same
28 period have increased from \$386,000 in 1968 to
29 \$1,276,000 in 1973. During the last three years (1971-73)
30 Hay River has enjoyed an operating surplus at year end.

Lainsbury, Dusel, Dalby
In Chief

A significant shift occurred in 1972 and '73 when other revenues, generated primarily through land developments administered by the Town rose sharply from only 11.5% of total revenues in 1972 to 37% of total revenues in 1973. In 1968, 29% of the Town's total revenue originated at the senior levels of government while only 21% was obtained from government sources in 1973.

The anticipated financial demands to be placed upon the community as a result of the increase in population due to pipeline related activities have been estimated for off site physical services and for educational requirements and other services. The cost of servicing land with utilities and local streets will likely continue to be self-liquidating and recovered from the sale of service lands.

The anticipated financial impact again in 1975 present worth dollars as a result of the pipeline has been forecast over the study period as shown in the following table. In this table, the difference in capital requirements between normal and accelerated growth is estimated at \$2.458 million. The total capital expenditure over that period is \$15.5 million. With respect to social services, the difference between normal and accelerated growth is \$491,000. The total capital budget required is \$1.3 million.

The total difference is \$5,961,000. The total capital budget required for physical and social services is \$16.8 million. Of that

Lainsbury, Dusel, Dalby
In Chief

total capital budget, \$2.6 million will be administered by the Municipal Corporation and \$14.2 million will be administered by the Territorial Government.

This impact analysis shows that the impact in 1975 present value dollars on the Town of Hay River will be in the order of \$6 million and that the Municipal Corporation will be responsible for \$4.5 million of that amount with the remainder being handled by the Territorial Government.

I have the following comments to make sir on the foregoing analysis of cost impacts. The method of making the assessment of cost impact upon the communities due to accelerated growth due to pipeline related activity is as follows:

1. Based upon a normal rate of growth, the needs for physical and social infrastructure were projected and the capital and operational costs were estimated.

2. The accelerated timing of these needs and the related costs were then estimated based on accelerated growth projections.

3. The present value of these future costs discounted at 10% per year, to the base year of 1975, were then calculated for both growth situations.

4. The difference in the present value of these costs represents the additional investment which would have to be made in the base year of 1975 in order to meet the cost of accelerated growth. The discount procedure highlights the advantages of deferred costs and conversely, the impact of costs which are incurred earlier due to accelerated growth.

Lainsbury, Dusel, Dalby
In Chief

1 A cost escalation was used to
2 compensate for general inflationary trends but I would
3 caution that the impacts of accelerated costs could
4 be substantially higher because of unique cost
5 escalations in the region which could be precipitated
6 by the pipeline and related construction.

7 In this respect, our experience
8 in Fort McMurray was that construction costs increased
9 somewhere in the order of 15-30% after construction
10 started on the industrial development as compared to
11 the construction costs that were represented within
12 the area prior to the start of the Syncrude plant. This
13 is simply due to the decreased availability of materials
14 labor and services.

15 The absolute value, or even
16 the order of magnitude of these cost impacts as we
17 have estimated them are subject to large estimating errors.
18 For this reason, they should be viewed only as demonstra-
19 ting the reality of the concept of impact costs and the
20 need to provide for them.

21 Not only must there be a
22 positive provision for funding these impact requirements
23 when they occur but it is important that the funding
24 be free of any constraints upon the decision making
25 powers of the communities. In this regard we have
26 two concerns.

27 First, only the responsible
28 decision makers in the community can be held accountable
29 for ensuring that efficient economic facilities and
30 services are provided and that the proper priorities

Lainsbury, Dusel, Dalby
In Chief

are assigned to the needs to be met.

Secondly, the responsible decision makers in the communities are the best judge of the appropriateness of the solutions to the problems of meeting accelerated growth requirements.

For these reasons, the communities must be assured that impact funding will be available when required and free of constraint from senior levels of government which are providing the financing.

I have a short summary sir.

1. There will be a financial impact on both the communities and the Territorial Government due to accelerated growth related to pipeline development.
2. The Territorial Government will have to provide for the payment of its own share of these impact costs in its budget.
3. The Territorial Government will probably also have to provide in its budget for financing, through purchase of debentures of the communities' share of the impact costs both capital and operational.
4. This funding must be provided to the communities with no constraints on their decision making with respect to the facilities to be constructed. The communities are the best judges of the appropriateness of the physical and social infrastructure to be provided and with respect to the economics thereof.

Lainsbury, Dusel, Dalby
In Chief

I have a fifth item which is not on the submission but which I would like to read into the record, sir.

5. The Territorial Government and the communities are to be commended for the degree of forward planning which has been carried out in the three representative communities to prepare for discontinuity impacts. We emphasize the need for continuing update of this forward planning as events unfold.

The cost of this kind of pre-planning, if not insignificant, compared to the effect of impact cost, is most assuredly warranted by the cost savings and by the mitigating effect on inevitable social disruption, which will occur.

That's the end of my submission, sir.

WITNESS DALBY: Mr. Commissioner, I have been retained by Stanley Associates Engineering Ltd.

(1) to review the Canadian Arctic Gas Pipeline Limited, September 1974 report titled,

"Impact of Proposed Arctic Gas Pipeline on Energy Costs in Northern Canada."

I will be referring to this as the CAGPL energy cost impact report. This report was prepared jointly by Gemini North Ltd., Associated Engineering Services Limited, and Northern Engineering Services Company Limited.

(2) To review a draft of certain material prepared by Stanley Associates which with additional data, included

Lainsbury, Dusel, Dalby
In Chief

1 upon my recommendation, became Section 4.0 of the
2 Stanley Associates report,

3 "Mackenzie Valley Pipeline Community Impact Study"
4 dated December 1975. I will be referring to this as
5 the Stanley energy cost impact report. This report
6 was prepared for the Northwest Territories Association
7 of Municipalities.

8 (3) To appear before this Commission and to advise on
9 matters pertaining to natural gas distribution for
10 Mackenzie Valley communities as seemed to be appropri-
11 ate, based on my past experience in the natural gas
12 utility business.

13 The Stanley energy cost
14 impact report and other material filed with the Commis-
15 sion on natural gas economics for Mackenzie Valley
16 communities, was prepared by Stanley Associates.
17 I am familiar with the approach taken by Stanley Assoc-
18 iates and with the data presented and am prepared to
19 answer questions on the material this company has
20 filed with the Commission under Section 4.0.

21 In my testimony I want to:

22 (1) Refer briefly to some of the key points covered in
23 the Stanley Associates cost impact report.

24 (2) Comment on the CAGPL energy cost impact report;

25 (3) Provide certain supporting information to the
26 material that has been filed on the proposed natural
27 gas pipeline and its economic impact on the Mackenzie
28 Valley communities, which I hope will be helpful to
29 you, sir.

30 The exploration for and

1 development of Northern Canada's natural gas supplies
2 and building a gas transmission line down the Mackenzie
3 Valley has the potential to provide some very significant
4 benefits to Canadians in general, and to the residents
5 of Northern Canada in particular.

6 The availability of economic
7 energy supplies is an important element in providing
8 the potential for a better life for residents of
9 Northern Canada.

10 The basic data and methodology
11 used in the CAGPL energy cost impact report was used
12 by Stanley Associates and reworked, with three separate
13 sets of assumptions, in order to investigate the
14 economics of natural gas service to 20 Mackenzie Valley
15 communities. I do not propose, sir, to go through the
16 details of the submission. I thought I would highlight
17 certain areas for you because I think what we are
18 looking for is to have an understanding rather than
19 have some specific information on the final details
20 of cost of service of individual communities. This is
21 laid out in part in the reports that have come before
22 you, but I think there are some issues that have to be
23 highlighted.

24 Will you then please refer to
25 Table 4.2 of the Stanley energy cost impact report?
26 This is included as attachment "A" to the material
27 that was provided. This table gives the estimated
28 1980 cost of fuel oil on a dollar per Mcf basis,
29 and that Mcf contains 1,100,000 British thermal units.
30 All we're doing here is tracing this back through the

Lainsbury, Dusel, Dalby
In Chief

1 material that came, and the CAGPL report. It can
2 be seen that the price of fuel oil varies little from
3 community to community, with the range being from \$5.67
4 per Mcf. equivalent for Hay River, Pine Point, Norman
5 Wells and Enterprise, to \$6.67 per Mcf. equivalent
6 for Tuktoyaktuk.

7 Under the column entitled:

8 "Community pricing system,"

9 is given the cost of providing natural gas service for
10 each community and this ranges from \$1.52 per Mcf.
11 for Inuvik to \$69.02 per Mcf. for Enterprise.

12 Just as an aside, sir, I
13 was thinking of this this morning, that \$1.52 for
14 Inuvik, and thought I should give some consideration to
15 how that compares to the cost of natural gas in
16 Edmonton maybe I can refer to this later. I have made
17 a couple of calculations that I think will be of
18 interest to you.

19 THE COMMISSIONER: Please do.

20 A Referring next to the item,

21 "Overall franchise pricing system"

22 at the bottom of page 4.2 under the heading,

23 "1980 equivalent cost of oil",

24 is given the average unit cost of oil for the 20
25 communities, which is \$6.18 per Mcf. equivalent. Under
26 the heading,

27 "Community pricing system"

28 is given the average unit cost of supplying natural
29 gas service to the 20 communities, \$7.28 per Mcf.

30 These calculations were based
on certain assumptions taken from the CAGPL energy

Lainsbury, Dusel, Dalby
In Chief

1 cost impact report. I want to focus special atten-
2 tion on two of these assumptions which are
3 (1) that the pipelines required to serve the
4 communities would be sized to handle 100% of the
5 potential gas load;
6 (2) that 50% of the space-heating load and 100% of the
7 power generation in communities presently generating
8 power using diesel, would use natural gas.

9 We do not believe providing
10 natural gas service to uneconomic communities would
11 be in the best interests of northern residents. The
12 approach we would recommend is for natural gas service
13 to be provided to those communities where it can be
14 shown that the price of natural gas service will be
15 lower than the cost of competing energy. It is a
16 waste of resources to install pipelines for natural
17 gas service for communities where some alternate form
18 of energy, such as fuel oil or hydro-electric power,
19 could be supplied at lower cost.

20 We must, however, use care
21 in the selection of our assumptions. After reviewing
22 the CAGPL energy cost impact report, I asked Stanley
23 Associates to rework the data for attachment "A" to
24 establish what the economics of natural gas distribution
25 would look like after four years of operation and
26 assuming:

- 27 . That the potential market would consist of
28 85% of the space-heating market instead of 50%;
29 . That the price of fuel oil would increase by 10%
30 per annum. I want to stress here, sir, that there is no

Lainsbury, Dusel, Dalby
In Chief

1 magic in this 10%. We were using it largely for
2 illustrative purposes to show how economics swing with
3 changes in estimates, and we just took the 10% rather
4 than to try and make it look like a figure that has
5 been well researched.

6 . That mainline tariffs in the fifth year of
7 operation will be reduced by 15% from those of the
8 first year; we're referencing here back to evidence
9 presented in the CAGSL submission; and

10 . That the lateral instead of total, that should
11 read "lateral" operating costs will escalate at a rate
12 of 8% per annum.

13 The results are given in
14 Table 4.3 of the Stanley energy cost impact report
15 which is attachment "A" to the material that you have
16 been supplied with. That's attachment "B".

17 From a comparison of results,
18 Table 4.3 of the Stanley report is based on 85% of
19 the heating load being connected, that is 85% satur-
20 ation case, and we compare that with Table 4.2, the
21 50% heating load saturation case, and we will see in
22 this comparison that the cost of natural gas service
23 is very sensitive to the size of the connected load.
24 Once a system has been designed and installed to
25 handle 100% of the potential load, the unit costs of
26 service will be reduced as gas usage increases. This
27 is particularly true where a long and expensive trans-
28 mission line has been installed, and this can be seen
29 by looking at how load saturation impacts on the cost
30 of natural gas in Yellowknife.

Lainsbury, Dusel, Dalby
In Chief

1 I have a table here which I
2 don't believe it would be necessary to read into the
3 evidence. I can summarize it by saying that in Table
4 4.2, 1980 under 50% of the heating load, the cost of
5 natural gas in Yellowknife for 1980 is \$10.59, with
6 a ~~comparative~~ cost of fuel oil being \$6.20 per Mcf
7 equivalent, based on the assumptions that have been
8 referred to in the Stanley report.

9 You could conclude from this
10 then, that it would not be economic to provide natural
11 gas service to Yellowknife.

12 After taking five years of
13 depreciation, and I should go a little further and
14 in making the calculations we decided not to go to
15 the work, I suggested that the Stanley should not
16 go through the work of taking the depreciation and
17 then adding in the new capital and adding in a higher
18 operating cost to reflect the 1984 costs, but to assume
19 that the depreciation would be offset by the costs,
20 increased capital cost and the higher operating costs.
21 So we used that as a saw-off on the distribution.

22 THE COMMISSIONER: Mr. Dalby,
23 I think I'm with you right up to the last sentence
24 in the last paragraph. I thought the re-working of the
25 material showed that the equivalent cost of fuel oil
26 would exceed the cost of natural gas at Yellowknife
27 under Table 4.3.

28 A Your question again, sir?

29 Q I just wanted to make
30 sure I understand you.

Lainsbury, Dusel, Dalby
In Chief

1 A Yes.

2 Q Under Table 4.3 --

3 A Yes.

4 Q -- given the re-working

5 of the figures on the new assumptions that you laid
6 down, the equivalent cost of fuel oil at Yellowknife
7 exceeds the cost of natural gas.

8 A That's right.

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Lainsbury, Dusel, Dalby
In Chief

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2 Q Maybe I've missed some-
3 thing here. You said, "It would not be economic to
4 provide natural gas service to Yellowknife." That's the
5 old figure, the old table, is it?

6 A Yes. Okay, if we can
7 put table 4.2 up against table 4.3. If we look at
8 Yellowknife under table 4.2, we will see that the cost
9 of natural gas is given as \$10.59.

10 Q Right.

11 A And we have a cost of
12 fuel oil in 1980 of \$6.20, table 4.2.

13 Q Yes.

14 A Okay, then I was trying
15 to take us over to table 4.3 and there are certain
16 factors at work as once a distribution system is
17 constructed, with time, under utility accounting, you
18 have depreciation which reduces your rate base. Off-
19 setting that is new capital additions to handle new
20 load plus increased costs of operation, but one of the
21 largest elements that impacts on economics is the increase
22 in customers that you add on to an existing system and
23 as was pointed out earlier, the CAGPL analysis is
24 based on 100 percent of the facilities being provided
25 or provided -- facilities being provided for 100 percent
26 of the consumers, but only 50 percent of the heating
27 load being installed and the point that I'm making here
28 is that as the system develops and as you add on new
29 customers, it has a very dramatic effect on the cost
of natural gas. Now, rather than have a series of tables,

1 at the same time I said, let's just show the impact
2 and what would happen if the price of fuel oil increased
3 10 percent a year.

4 Q Yes.

5 A I just wanted to demon-
6 strate that one factor is going in one direction,
7 another, is going in another direction and it has a
8 rather dramatic impact on the fact that Yellowknife
9 could be served and I think Yellowknife could be served
10 if a pipeline was built down the Mackenzie. The economics
11 of Yellowknife are favourable.

12 Q Right, so that you don't
13 think I'm totally stupid, where I fell off was that in
14 that last sentence about Yellowknife, I thought you
15 were talking about the new table and I couldn't figure
16 out why, but I understand.

17 A No, under 4.2, it was
18 not the -- where I fell off -- I really fell off sir --
19 where I fell off, I put in this five years of depreciation
20 and I was attempting to make things fairly simplistic
21 but then I decided that I might be subject to cross-
22 examination on that particular item because in the
23 study, you will see that reference is made to the
24 depreciation, increased capital cost and an increase
25 in operating costs and I thought I might short-circuit
26 a question, but I probably took the same length of
27 time in doing it this way.

28 After taking the depreciation
29 of distribution plant and with heating load saturation

Lainsbury, Dusel, Dalby
In Chief

1 increasing from 50 percent to 85 percent and with lateral
2 operating cost escalated at the rate of 8 percent
3 per annum, we find that the 1984 cost of natural gas
4 service in Yellowknife had improved to the point where
5 the unit cost of service would \$6.44 per M.C.F. with
6 the assumption that oil prices would increase at 10
7 percent a year, we would have an oil price in 1985 of
8 \$9.08 per M.C.F. equivalent -- that should read 1984.

9 This economic analysis shows
10 a very clear economic advantage for natural gas for
11 Yellowknife.

12 The point I am trying to make
13 is that in the first year of operation of a natural
14 gas system, you have the maximum investment and minimum
15 sales and revenue. To obtain a better understanding
16 of natural gas utility economics you must look beyond
17 the first year of operation. The relative economics
18 of natural gas service for a northern community, once
19 the system has been installed will improve with time,
20 also the cost of distributing fuel oil will increase
21 more rapidly than the cost of distributing natural
22 gas once the natural gas utility system is installed.

23 As a natural gas ^{plant} is depreciated,
24 the cost of service declines, all other factors being
25 equal. This is not the case for fuel oil distribution,
26 the comparative economics of natural gas and fuel oil
27 should then be investigated for a period of years rather
28 than just the first year of a gas utility plant operation.

29 I would like to add two
paragraphs here, sir, to state that table 4.3 further

Lainsbury, Dusel, Dalby
In Chief

1
2 shows that on the assumptions made and it should be
3 recognized that the most important assumption is that
4 a Mackenzie Valley pipeline will be built and it will
5 follow the route set out in the ARctic Gas application
6 to the National Energy Board, that all of the communities
7 listed except Tuktoyaktuk, Fort Smith, Rae Edso, Fort
8 Franklin, Jean Marie River, Fort Resolution and Enterprise
9 can be served with natural gas on an economic basis.

10 I would not want the commission,
11 or you sir, to conclude that table 4.3, in my attachment
12 (B), sets out what the comparative energy cost picture
13 of natural gas versus fuel oil would be if natural
14 gas becomes available to the Mackenzie Valley communities.
15 The investigations conducted to date, on natural gas
16 service for northern Canada have really just scratched
17 the surface. Additional work on detailed load surveys,
18 transmission line and distribution system design and
19 engineering, natural gas economics and energy cost
20 analysis must be carried out.

21 The economics of natural
22 gas service for northern communities is dependent upon
23 -- in part upon the timing of construction. The routing
24 of the transmission line, the date the transmission line
25 is placed in service and the date on which natural gas
26 can be made available for distribution.

27 Because of the current rate
28 of inflation, any delay in completing the proposed pro-
29 ject will result in higher energy costs and fewer
30 benefits for northern residents.

Lainsbury, Dusel, Dalby
In Chief

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MR. SIGLER: Excuse me, Mr.
Dalby, at this point, I note that there is a paragraph you
wanted to add, if you could do it now perhaps commenting
on how the timing of construction can effect the
economics of the natural gas service for northern
communities. Just expand on that general idea some
more.

A Mr. Commissioner, when
we were discussing my evidence, I was asked this question
and I felt that from the response I received from the
people in the room that it would be appropriate to
go further and to say that the potential energy cost
saving for Mackenzie Valley communities, while it
could be substantial, it is just one small element in
the overall, positive, economic and related people
benefits that could be derived from natural gas develop-
ment in northern Canada.

The most significant potential
financial benefit can be measured by calculating the
difference between A. the total revenue derived from
selling natural gas to southern Canada and B. the cost
of producing the natural gas and transporting it to
markets.

Natural gas sold in southern
Canada should be sold on the basis of its true market
value and after we subtract from this,
A. What we must pay to the producers to ensure there
will be sufficient incentives and proper rewards
developing the required gas supplies and,

Lainsbury, Dusel, Dalby
In Chief

1
2 B. What we must pay to the gas transmission company
3 which will be an amount equal to their cost of
4 providing facilities, that is a fair return on
5 investment, a return of their capital and operating
6 costs.

7 We are left with what I call
8 a real profit and this is for the account of Canadians.

9 Delays in the project will
10 bring higher costs to the project, inflation and the
11 growing preliminary costs that add interest or have
12 an interest component.

13 These higher costs in the
14 final analysis will not be paid by the producing companies
15 or by the pipeline company and are not recoverable
16 from the people in southern Canada, who, I believe,
17 should pay and purchase the natural gas from northern
18 Canada and the price that he should be prepared to
19 pay is not a price related to project costs, but a
20 price related to the cost of alternate energy supplies.
21 The added cost then will come out of the real potential
22 profit which will yield a lesser economic benefit to
23 Canada for these added costs.

24 In conclusion I want to
25 stress that an important aspect of northern energy
26 development is the participation of the communities
27 and the people who will be affected by development.
28 From my utility experience in Alberta, I've come to
29 recognize the importance of municipal level participation
30 in matters concerning natural gas service in new areas.

Lainsbury, Dusel, Dalby
In Chief

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2 As I mentioned in my qualifications, I believe that
3 I have probably worked with something in the order of
4 a hundred municipalities in this regard. I would
5 not attempt to set out in detail at this hearing how
6 this participation would fit into the complex planning
7 and decision making that is required on energy supply
8 matters for northern Canada. I do, however, strongly
9 recommend to this Commission that assuming a pipeline
10 is to be constructed, funds be made available to
11 enable local participation in the decision making
12 process on matters concerning natural gas service
13 for Mackenzie Valley communities. It is essential
14 that these communities be funded so they can participate
15 and/or be kept informed on a number of activities
16 concerning natural gas development, including:

- 17 1. The confirming of population projections and
18 capital and operating costs for natural gas
19 distribution for communities that are within
20 economic reach of an approved transmission line.
21 The obtaining of current estimates of future oil
22 costs and the working with Northern Canada Power
23 Commission on utilizing natural gas for power
24 generation in northern Canada and the integration
25 of natural gas and energy planning to meet
26 the long term needs of Canada.

27 Those first three items should
28 probably be considered as one item. Here we're looking
29 at the overall economics and the opportunities and I'm
30

Lainsbury, Dusel, Dalby
In Chief

1
2 suggesting the municipalities should have a very positive
3 role in this regard.

4 Item 4. Developing a strategy and the terms under
5 which natural gas service will be provided to
6 northern communities and there will be great
7 discussions on this as to whether you should have indiv-
8 idual system pricing, joint system pricing, subsidized
9 energy costs and many forms of handling this manner of
10 how natural gas costs should be distributed to northern
11 residents and I think the northern residents must play
12 a stronger hand in this.

13 5. The investigating of available alternatives for
14 management and for the management and ownership
15 of the Mackenzie Valley natural gas distribution
16 systems.

17 There will be interests of
18 municipal ownership. There will be interest that
19 support investor ownership. I think what is
20 needed here would be to have an intelligent look at
21 what is available to the people in the north and ensure
22 that they have the information upon which they can make
23 sound decisions.

24 Lastly, the investigating of
25 alternatives and developing strategy for negotiating
26 contractual arrangements with gas producers and gas
27 transmission companies and from my experience, I believe
28 it is important to have balanced power in negotiating
29 and what I am suggesting, the assistance on funding
30 to municipalities is to help in that regard of balancing

Lainsbury, Dusel, Dalby
In Chief

1 THE COMMISSIONER: Right.

2 Well that is why they were funded so they could bring
3 you here.

4 A I was going to comment on
5 one further element and this was thinking of the
6 comparative costs of natural gas in northern Canada with
7 southern Canada. After breakfast, I made a phone call
8 to establish certain items I felt might be of interest
9 to you sir.

10 Today's Alberta border price
11 based on 1,000 BTU's of natural gas is 95.5¢. In
12 January 1st, 1978, that Alberta border price was
13 estimated at something of the order of \$1.36 per mcf.

14 Q Excuse me, January 1st,
15 1978?

16 A January 1st '78 --
17 approximately \$1.36 per mcf. About 11¢ of that will be
18 required from well head to get the gas to the border.
19 The difference then is the cost of natural gas at the
20 wellhead which would be \$1.25 in January 1st, 1978 in
21 Alberta or on our 1100 BTU basis, I think that works
22 out to \$1.37 an mcf.

23 Looking at the -- and I will
24 not try and go through this. I went through some
25 gymnastics on the price of natural gas in Edmonton and
26 was surprised to find that the estimated cost of
27 natural gas in Inuvik was not going to be that far off
28 the cost of natural gas in Edmonton.

29 But one of the things I've
30 considered in looking at this was the fact that the

1 Alberta Government is currently rebating about \$70
2 million to its people in their natural gas accounts.
3 Also it occurred to me that this rumor that has been
4 going around that Alberta has a Heritage Fund of some
5 \$2 billion. I concluded from this that northern Canada
6 has the potential for economic gains which, if the
7 facts were known could possibly even make Alberta
8 envious.

9
10 What we have or what I see
11 is a competition for economics benefits is one of the
12 issues. I certainly don't want to get involved in the
13 social issues. They are very, very important but I think
14 they're tied into the economic viability of the
15 project. But there is a competition for economic
16 benefits and they will continue from various groups;
17 the native land claims, the Environmental Protection,
18 government taxation at federal, territorial and
19 municipal levels and the citizens of the north who will
20 want lower cost energy.

21 I can only sum this up best
22 by trying to understand this and I can only conclude
23 that this is like being at a picnic on a very hot
24 day and here we find ourselves arguing over how
25 we can divide the ice cream. I think there is enough
26 for everyone. Thank you sir.

27 Q Thank you. The table
28 4.2 and table 4.3 -- the key to this difference
29 between the Arctic Gas projections and your own
30 is clear the set of assumptions -- the differing
31 sets of assumptions. I just wanted -- and of course

Lainsbury, Dusel, Dalby
In Chief

1 you out of your table if there emerge -- or at least
2 that's the equivalent cost of fuel, the number of
3 communities to which delivery of natural gas does not
4 exceed that level is increased considerably and
5 especially the populous communities around Great Slave
6 Lake.

7 Now it is those particular
8 assumptions that produce that result and they are the
9 critical aspect of your analysis in that regard. I
10 understood the point you were making about those
11 assumptions. It's late in the afternoon and I want
12 to make sure that I didn't misunderstand you.

13 Did you then go on to say that
14 these things are difficult to project and that further
15 research should be done? Or was your suggestion that
16 further research be done simply limited to what ought
17 to be the appropriate role of municipalities in the
18 distribution system?

19 A O.K. First of all,
20 the assumptions made by Foothills, by CAGSL, by Stanley
21 any of these companies-- it's clearly established that
22 /natural gas service can be provided on an economic basis to
23 a number of companies and these are listed. The
24 emphasis that we were making is that the CAGPL estimate
25 was very conservative by virtue of the fact that they
26 will use only 50% of the heating load.

27 In my utility experiences --
28 something that we have gone over and over many times
29 -- when you have to put your hard dollars down, is
30 to estimate what revenue you are going to have. You

Lainsbury, Dusel, Dalby
In Chief

1 have to make some estimate of how long -- how fast
2 the load will come on. I can say from experience that
3 it is one area that we have been wrong almost universally
4 is on how fast natural gas load will build, particularly
5 when there is an economic -- substantial economic
6 advantage.

7 Not only have we found that
8 n atural gas, we've put on 100% of the load but often
9 when you look four and five years down the line, you
10 have put in 125% of a load because there is growth
11 that's not contemplated in your tendency to be a little
12 conservative.

13 So what I am suggesting is that
14 for this purpose that we have to date is that it can
15 be clearly demonstrated that there can be very substantial
16 savings for the people of northern Canada as a result
17 of this pipeline.

18 But I am going to the next
19 step assuming the pipeline is approved, I am saying
20 there has to be considerable refinement of the figures.
21 Someone is going to have to make investment decisions.
22 If a private company is called upon to make the
23 investment decisions, the municipalities in northern
24 Canada will have to have the where-with-all and the
25 means to evaluate the various people that will come
26 upon them and be able to say "yes, this is a good
27 situation" or, "this is not ^{rich enough} considering that are accrued
28 to the developer".

29 Q Right. Right. I understand.

30 Q.R. What happens now?

Lainsbury, Dusel, Dalby
In Chief

1 MR. GOUDGE: It's about
2 twenty to five sir.

3 THE COMMISSIONER: So
4 we can complete the evidence of these gentlemen tomorrow
5 without inconvenience to them. We wouldn't want to
6 bring them back next week. That's what I am saying,
7 no problem?

8 Mr. Steeves may be sort of
9 warming up in the bullpen.

10 MR. STEEVES: You know how you
11 can avoid that sir by continuing the completion of this
12 panel tonight. I have no questions of the panel on the
13 evidence as it stands. Perhaps we should continue.

14 THE COMMISSIONER: Oh, I see.
15 No questions? All right.

16 MR. GOUDGE: One down sir.

17 MR. STEEVES: I'm speaking
18 for all of us as Mr. Goudge often does.

19 THE COMMISSIONER: Well look,
20 if Mr. Steeves doesn't have any questions I think that
21 certainly Mr. Hollingworth isn't going to attack this
22 panel.

23 MR. HOLLINGWORTH: I have
24 about three questions of the exploratory nature.

25 THE COMMISSIONER: Yes, but
26 Mr. Bayly has been warming up in the bullpen.
27 So I don't think we could finish conveniently tonight
28 and yet we could tomorrow.

29 MR. SIGLER: " I suggest
30 sir that we continue tomorrow. It has been a long day

Lainsbury, Dusel, Dalby
In Chief

1 for the witnesses in reading in their evidence.

2 THE COMMISSIONER: It has
3 been. There is a lot of meat here and I've had about
4 all I can take today. So let's leave it until
5 tomorrow. 10 o'clock.

6 Thank you gentlemen and we
7 will see you tomorrow.

8 (PROCEEDINGS ADJOURNED TO AUGUST 20, 1976)
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347
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AUTHOR
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TITLE
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347
M835
Vol. 173

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